The Journal of Social, Political and Economic Studies

Summer, 1994 Vol. 19, No. 2

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The Journal of Social, Political and Economic Studies is published quarterly by the Council for Social and Economic Studies. All correspondence should be addressed to The Editor, P.O. Box 34070, N.W. Washington D.C., 20043, U.S.A. [Telephone (202) 371-2700: Fax (202) 371-1523]. Formerly known as *The Journal of Social and Political Affairs*, the subscription rate is $70.00 per annum for libraries and institutions, although scholars and private individuals are entitled to a privilege rate of $32.50 per annum. Reduced three-year subscriptions are available at a cost of $180.00 for libraries and $90.00 for individuals. Subscribers outside the USA please add $5.00 per annum. The attention of readers is also drawn to the valuable Monograph Series (ISSN 0895-724X), published in association with the Journal and advertised elsewhere in this issue. Members of the academic community and other qualified individuals are invited to consult the General Editor at the above address concerning articles which they may wish to submit for possible publication.

ISSN 0193-5941

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The Journal of SOCIAL, POLITICAL AND ECONOMIC STUDIES

Roger Pearson
General Editor

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Third World Missile Proliferation Poses New Threats

John Cunningham
High Frontier, Inc., Arlington, Virginia

With the world community focused on North Korea's nuclear program, the proliferation of weapons of mass destruction and ballistic missiles to the Third World has become a major concern. The proliferation threat is real and it is growing. Over the last twenty years the nuclear "club" has more than doubled, from six nations to thirteen. Nearly thirty nations possess ballistic missiles of varying ranges, and twenty five have chemical and/or biological weapons programs.

Contrary to what the world might wish, the end of the Cold War has actually served to spur proliferation efforts rather than dampen them. More and more nations are acquiring mass destruction and ballistic missile technology, spurred by regional rivalries and heightened senses of nationalism. Other nations may desire the prestige accorded ballistic missiles and nuclear capable nations, or feel that such weapons may be a way to buy security on the cheap. India, for example, has declared that its own nuclear program is its only means of staving off "American hegemonism."

The collapse of the Soviet Union has lead to a dangerous "brain drain" of highly skilled scientists and technicians from the Former Soviet States to the Third World. Nations such as Iran, North Korea and Libya have been using the promise of high wages in attempts to lure ex-Soviet scientists away from the FSU to work on their own weapons programs. Russian law enforcement agencies recently stopped 60 Russian ballistic missile scientists and technicians at Moscow's Shermyetovo-2 airport as they prepared to fly off to North Korea. Over the last few years dozens of other scientists and technicians have been prevented from seeking employment in Third World weapons programs, but dozens more have managed to leave Russia.

The January 1993 Arms Control Today reported that several scientists have contracted to work in Algeria, four have left Russia to take service in India, 50 missile and weapons specialists remain in Iraq, 14 nuclear scientists are working in Iran, and "many" Russian

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scientists are participating in projects in Libya. The Russian Security Ministry admits that it cannot keep tabs on every scientist with nuclear secrets and that this may represent only a fraction of the FSU scientists and technicians who have taken service abroad.

The "brain drain" is not the only proliferation factor added into the equation from the collapse of the USSR. The Russian Mafia has been increasingly active in trying to steal and sell nuclear technology on the black market. The problem has become so serious that the U.S. Federal Bureau of Investigation has opened a branch office in Moscow to help Russian law enforcement agencies stop black market nuclear sales. The going price for a kilogram of enriched Uranium on the black market is $2.2 million – a hefty incentive for nuclear smuggling. But the Russian Mafia may not content itself with selling bits and pieces of nuclear material, and the danger of nuclear weapons theft is also on the rise. U.S. FBI Director Louis Freeh has said he is worried of "the dreadful possibilities" that Russian organized crime organizations may steal nuclear weapons and sell them to terrorist organizations.

While Mr. Freeh believes the U.S. has been lucky that no illegal diversions of nuclear weapons have occurred, the sad reality is that a number of Russian nuclear weapons may already have found their way to the Third World. Two years ago Russian General Victor Samoilov told U.S. military visitors that they discovered that "three *more* nuclear warheads were missing." When pressed by the U.S. delegation, headed by Air Force General John Piotrowski, General Samoilov admitted that they had had at least three tactical nuclear weapons disappear from storage sites and as many as six altogether. As many as 23 nuclear warheads have vanished out of the Komsomolsk-on-Amur nuclear weapons depot near Khabarovsk, believed to be Submarine Launched Ballistic Missile and SS-20 warheads. There have been also reports in European papers that three nuclear weapons were smuggled across the Khazakstan border to Iran in 1992. The total of missing Russian nuclear weapons may total more than 30.

With the "brain drain" and the Russian Mafia in the picture, it is much easier for would-be nuclear- and missile-states to gain mass destruction and ballistic missile technology. Third World nations no longer need to engage in lengthy, expensive weapons research programs. If they are determined to find a seller, and have the hard cash to do so, they may outright purchase the capabilities they desire.

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There are now 13 nations that can be considered members of the nuclear club:

United States	Kazakhstan
Great Britain	India
France	Israel
China	North Korea
Russia	Pakistan
Byelorus	South Africa
Ukraine	

Even though South Africa claims to have dismantled its seven nuclear weapons it was, and remains, a nuclear capable state. This is more than double the number of nations that possessed nuclear weapons twenty years ago, despite the Nuclear NonProliferation Treaty, CoCOM (now dismantled), and other arms- control regimes. Four other nations are actively seeking nuclear weapons: Iran, Iraq, Libya, and Syria. Algeria is also reported to be interested in acquiring nuclear weapons. Six additional nations could develop nuclear weapons if they so chose. These are: Argentina, Brazil, Japan, South Korea, Taiwan, and Germany.

It can not be forgotten that nuclear weapons technology is more than fifty years old, and that nearly any competent physicist possess the theoretical knowledge necessary to research nuclear weapons technology. After the Gulf War, for example, it was discovered that Iraq had been using what was considered as "obsolete" nuclear research techniques to develop atomic weapons – perhaps "obsolete" by today's standards, but good enough for Iraq. According to former CIA Director John Gates Iraq was roughly 18 months away from acquiring the bomb when the Gulf War started.

Nuclear weapons are not the only danger posed by the Third World. Chemical weapons, the "poor man's atomic bomb," are viewed by many developing nations as a less expensive alternative to the atomic bomb. Chemical weapons are relatively cheap and easy to manufacture. They can be manufactured using chemicals that can be used for peaceful purposes, making them easier to acquire and produce than nuclear weapons, and they can still kill large numbers of people with only a few weapons. 16 Third World nations have chemical weapons programs today. While outlawed, chemical weapons have been used to kill thousands of people in several regional wars, most recently by Iraq against its Shi'ite and Kurdish populations, and during the Iran/Iraq War of the 1980s.

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Biological weapons proliferation is also a growing threat. Biological weapons, potentially more dangerous than chemical or nuclear weapons because of their unpredictability after use, are being developed by an increasing number of developing nations. Despite the Biological Weapons Convention – which bans the production and use of biological weapons – eleven developing nations have such programs. Biological weapons programs are even harder to track that chemical or nuclear programs, and can be conducted in easy to hide, secure facilities. To use the example of Iraq again, the extent of its suspected biological weapons program was not revealed until it had been defeated during the Gulf War and intrusive international inspections carried out.

The delivery vehicle of choice for mass destruction weapons is the ballistic missile. Ballistic missile development and acquisition closely mirrors mass destruction technology development efforts. Most of the nations involved in mass destruction technology development also have ballistic missile programs. While most Third World missiles are inaccurate, they are attractive delivery vehicles because they can pose an immediate threat to the population centers of other nations, and there are few defensive options against them. While strike aircraft are a more accurate means of weapons delivery, ballistic missiles, either as a deterrent or as a threat, are difficult and expensive to defend against, getting a "free ride", as it were, even in the face of relatively limited defenses such as the U.S. Patriot anti-tactical ballistic missile system.

Since the end of World War II, thousands of ballistic missiles have been fired in regional conflicts, inflicting high civilian casualties. Nearly all of the ballistic missiles fired during war, including those fired against the Allies by Nazi Germany, were fired against civilian population centers as terror weapons. The Iran/Iraq "War of the Cities," during which hundreds of ballistic missiles were fired by both sides, resulted in thousands of civilian deaths. Most recently, the U.S. has sustained casualties from ballistic missile attack during the Gulf War, and the current Yemeni civil war has seen over 100 civilians killed by ballistic missile attacks.

Twenty-seven nations now possess ballistic missiles of varying ranges, mostly Third World nations. Thirteen Third World nations have indigenous ballistic missile development and manufacturing capabilities, and some of those (like India) may gain a long-range ballistic missile capability within a decade.

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Nations With Ballistic Missiles

Country	Range Category (km)					Supplier
	30-250	300	500-650	900-1,200	≥1,500	
Afghanistan		Scud B				USSR
Argentina	Alacran		Condor 2			Indigenous
Brazil	MB/EE-150 SS-150	MB/EE-300 SS-300	MB/EE-600	MB/EE-1000 SS-1000		Indigenous
China	B-160	M-11	M-9	M-??	CSS-2	Indigenous
Egypt		Scud B Scud B	Scud C	Vector	Agni	USSR North Korea franchise Indigenous (Condor technology)
India	Prithvi					Indigenous
Iran	Iran-130	Scud B Scud B	Scud C			USSR North Korea franchise Indigenous
Iraq		Scud B Scud B	Scud C Al Hussein	Al Abbas Badr 2000	Al Aabed	USSR North Korea Franchise Indigenous (Scud technology) Indigenous (Condor technology)
Israel	Lance		Jericho 1		Jericho 2	Indigenous United States
Libya	SS-21	Scud B	Scud C M-9	Al Fatah		USSR North Korea China Indigenous
North Korea		Scud B	Scud C	No Dong 1	No Dong 2	Indigenous
Pakistan	Hatf 1	M-11 Hatf 2				China Indigenous
Saudi Arabia			Ariston		CSS-2	China
South Africa						Indigenous (Jericho 1 technology)
South Korea	NHK-1, -2 Lance	NHK-A				Indigenous United States
Syria	SS-21	Scud B Scud B	Scud C M-9			USSR North Korea China
Taiwan	Green Bee			Sky Horse		Indigenous
Vietnam		Scud B				USSR
Yemen	SS-21	Scud B				USSR

Courtesy of System Planning Corporation

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Which countries possess, and are likely to gain, ballistic missiles is of extreme interest to the United States. The following is a listing of countries engaged in acquiring ballistic missiles, mass destruction technologies, and space flight technologies, including some that are not thought of as "Third World." Only confirmed chemical and biological weapons programs will be mentioned in the listings. Only non-battlefield range ballistic missiles, i.e., over 120 kilometers range, are mentioned.

* **Afghanistan**: Afghanistan possesses Scud-B ballistic missiles with a 300 kilometer range. Several thousand Scud-Bs have been fired during Afghanistan's civil war, almost entirely by government forces, and mostly at civilian population centers.
* **Algeria**: China is helping Algeria build a nuclear reactor, claimed to be peaceful. Western analysts believe it to be part of an Algerian effort to acquire a nuclear weapons capability. Algeria has also approached China on buying M-11 short-range ballistic missiles.
* **Argentina**: Argentina is close to deploying the Alacran short-range missile. The Alacran has a 200km range. Argentina was involved in a joint project with Iraq to develop the Condor I and Condor II ballistic missiles. Both programs were supposedly abandoned by Argentina. However, there have been reports that the Argentine Air Force is maintaining several of the 1,000 kilometer range Condor II missiles in ready storage. During the 1980s Argentina embarked on an ambitious nuclear power program with the goal of developing nuclear weapons. Argentina was several years away from developing nuclear weapons when it abandoned the program in February 1992 after signing a treaty with Brazil.
* **Brazil**: Brazil is a fairly advanced country and is engaged in a number of activities. Brazil to date does not have any operationally deployed ballistic missiles, but could do so in a fairly short period of time. Brazil has several on-going missile programs. Brazil is developing a family of missiles called the MB/EE series, which includes the MB/EE-150, 300, 600, and 1000. Each missile has a range respective to its number, so the MB/EE- 150 has a 150 kilometer range. It has been reported that Brazil test fired an MB/EE-600 in 1988. Missiles in this series could be deployed by the mid-1990s. Brazil has another family of missiles under

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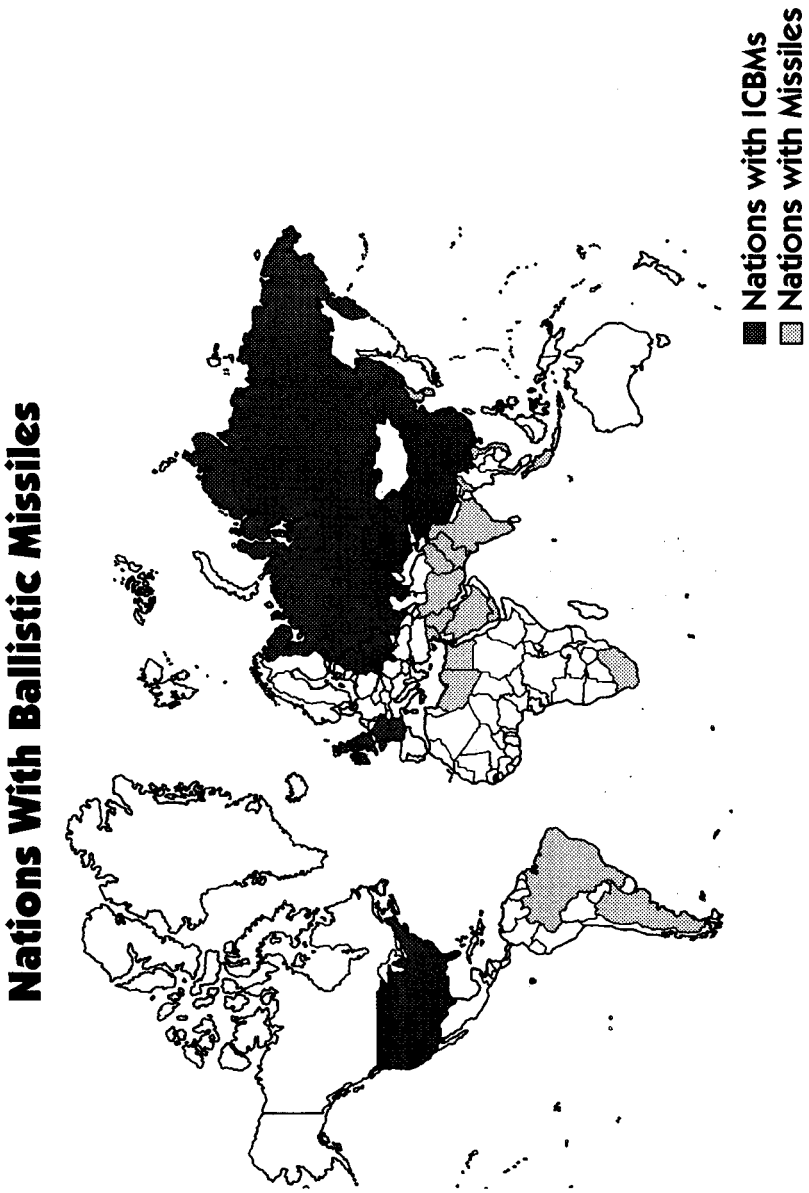

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development, the SS-300, and the SS-1000. Again, the designation number is the range of the missile. The SS-300 has seen more testing than the SS-1000, and could see operational deployment by 1995. Brazil also has the potential for developing ICBMs. During the last 25 years, Brazil has been developing and operating its Sonda-2, -3, and 4 space launch vehicles. Both of these rockets have the ability to place a very small payload into low Earth orbit. Building off of its Sonda experience, it is currently developing the four-stage VLS space launch vehicle, much more capable than the Sonda vehicles. Brazil also has a nuclear power program, and during the 1980s was engaged in a nuclear arms race with Argentina. Brazil was several years away from producing its own nuclear arms when it formally renounced its weapons program after signing a treaty with Argentina in February of 1992.

* **Egypt**: Egypt possesses and produces its own version of the Scud-B ballistic missile with a 300 kilometer range. Egypt has also been engaged in a program with Argentina to develop a medium-range ballistic missile. Called the Badr-2000, also known as the Vector, this 1,200 kilometer range missile is a spin-off of the Argentine Condor-II program. This effort may have ended with the demise of the Condor-II program. Egypt is currently negotiating with China for the purchase of one or more 300 megawatt nuclear power plants. It is not believed that Egypt has a nuclear weapons program, but Egypt does possess a chemical and biological weapons capability.
* **India**: India has developed, and is in the process of deploying, the Prithvi ballistic missile with a 250 kilometer range. The United States has been pressuring India to abandon its Prithvi missile program but New Delhi has been adamant about deploying it. The Indian military claims that the Prithvi has a CEP of 100m, has the capability to follow up to six different re-entry trajectories, and could defeat the Patriot anti-missile system.

  India is also engaged in testing the Agni medium-range ballistic missile with a 2,500 kilometer range. The Agni is expected to be operationally deployed by around 1995. India has the potential to develop ICBMs. It has had an active

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space flight program since the 1970s and has developed and operates two space launch vehicles. The SLV-3 is a space launch vehicle capable of placing a small payload into low Earth orbit which saw limited service in the 1980s. India has recently finished a series of flight tests on the ASLV space launch vehicle, which is more capable than the SLV-3. India has also been attempting to purchase cryogenic rocket engine technology from Russia. The Russian sale was blocked by the United States but India has declared that it will continue research in this area, which would allow it to develop even more capable space launch vehicles and ballistic missiles. The Pakistani government has claimed that India is considering developing longer ranged ballistic missiles based on its experimental ASLV and newer Polar Space Launch Vehicle (PSLV), a launch vehicle being designed to place a 1,000 kg payload into a sun-synchronous orbit. A variant called the GSLV (GEO Space Launch Vehicle) would be able to place a similar payload into a geosynchronous orbit. A missile based on the ASLV would have a range of up to 4,000 km, and a missile based on the PSLV could have up to a 12,000 km range. India has a proven nuclear weapons capability. It detonated its first nuclear device in 1974 and is believed to have as many as 200 nuclear weapons in its arsenal. India also has a proven chemical and biological weapons capability. India has a tense relationship with its also-nuclear neighbor Pakistan, with whom it has fought several wars. During a heated dispute with Pakistan over Kashmir, Western intelligence sources reported that both sides had put their nuclear forces on alert. Specifically, Pakistani fighter-bombers were spotted with bomb-racks designed to carry nuclear weapons.

* **Indonesia**: Indonesia has been attempting to develop a space launch capability. In 1988 it tested a two-stage space launch vehicle, the RX-250, and is planning another test this year. This program could lead to a ballistic missile capability.
* **Iran**: Iran possesses and can produce the Scud-B ballistic missile with a 300 kilometer range. Iran used Scud-Bs against Iraq during the Iran-Iraq War in the 1980s. Iran has been working with Syria to extend the range of the Scud-B. A reported 1992 test of this Scud-B derivative flew 500 kilometers. Iran also has developed and deployed the 150

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kilometer range Iran-130 missile. In a joint project with Syria, Iran has purchased Scud-C missiles from North Korea, and received the first of 150 missiles in May 1992. The Scud-C has a 600 kilometer range. Iran has also been negotiating for the purchase of North Korean built Nodong-1 missiles with a 1,200 kilometer range. Iran has been aggressively pursuing nuclear weapons and has received Chinese assistance in constructing and operating a small nuclear research reactor, and is negotiating the purchase of several 400-megawatt reactors from China. It has also been reported that Iran has purchased three tactical nuclear weapons from the former Soviet Republic of Kazakhstan. Iran has a chemical and biological weapons capability.

* **Iraq**: Iraq had a sophisticated ballistic missile, nuclear, biological and chemical weapons technology programs prior to the Persian Gulf War. Iraq's capabilities have been largely destroyed, though it may retain some 200 Al-Husayn and Al-Abbas ballistic missiles, with 600 and 900 kilometer ranges respectively. Iraq had also tested the Al-Aabed medium--range ballistic missile, and the Tammuz-1, a small space launch vehicle, prior to the Gulf War. Iraq's large nuclear weapons program, as well as its chemical and biological weapons programs, are all believed to have been dismantled. Iraq fired hundreds of ballistic missiles at Iran during the Iran-Iraq War in the 1980s, as well as firing missiles at Israel and Saudi Arabia during the Gulf War.
* **Israel**: Israel has developed and deployed two ballistic missiles, the 500 kilometer range Jericho-1, and the 1,500 kilometer range Jericho-2. It has been reported that as many as 100 Jericho-2 missiles have been deployed. Israel has the potential to develop ICBMs. Israel has developed and operated the Shavit space launch vehicle, capable of lofting a small payload into low Earth orbit. Israel is widely believed to have a substantial nuclear weapons arsenal and is almost certainly capable of producing chemical and biological weapons.
* **Libya**: Libya possesses Scud-B missiles with a 300 kilometer range. Libya is reportedly working with North Korea on testing of the Nodong-1 1,200 kilometer range ballistic missile, and has built a flight test range for the program. It

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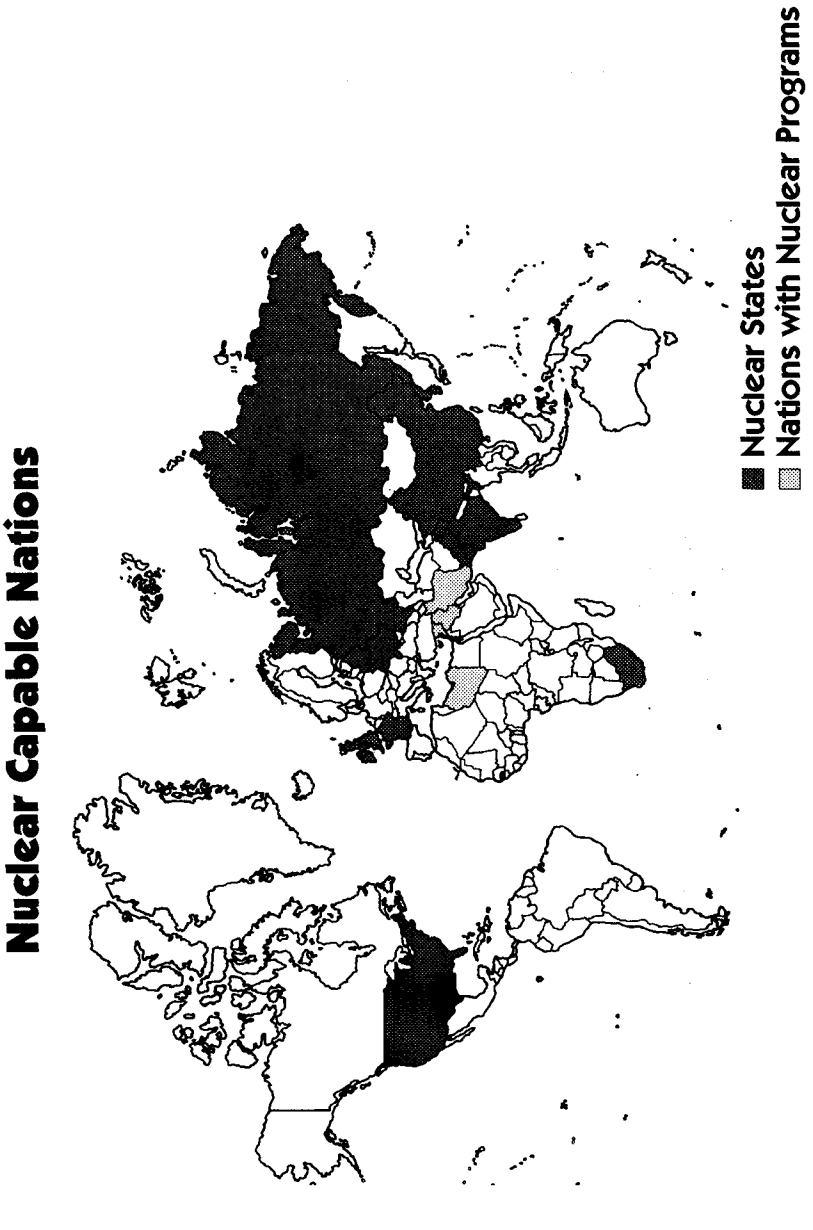

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has also been reported that Libya has been testing motors for its own missile, the Al-Fatah, with a 950 kilometer range. Libya has been actively shopping for nuclear weapons, but is not believed to have been successful. Libya has built a massive chemical weapons factory in Rabta and is the largest manufacturer of chemical weapons in the world. Libya fired Scud-Bs at the Italian island of Lampedusa in 1986 in retaliation for the U.S. Tripoli Raid, and is believed to have used Scud-Bs during its 1991 campaign against Chad.

* **North Korea**: North Korea rivals China in its zeal to sell ballistic missiles to any and all. North Korea possesses and builds the 300 kilometer range Scud-B and has developed its own family of ballistic missiles. North Korea has developed, deployed and sold the Scud-B derivative Scud-C ballistic missile with a 600 kilometer range. North Korea, in conjunction with Libya, is currently flight testing its 1,200 kilometer range Nodong-1 ballistic missile. The Nodong-1, or "Labor," ballistic missile has been designed using Scud missile technology. It is a "stretch" Scud, similar in design to those used by Iraq during the Gulf War, with a longer fuel tank and using a cluster of four engines to provide additional thrust. The Nodong-1 is a mobile missile, fired from a North Korean copy of a Chinese TEL. It has a maximum possible range of 1,200 km with a 700-1,000 kg payload. A possible follow-on missile to the Nodong-1, dubbed the Nodong- 2, could have a range of up to 2,000 km. The U.S. intelligence community believes that North Korea may also be considering the development of a multi-staged ballistic missile, called the Taepodong-1. While it may be based on the Nodong missile, it has been reported that there are similarities between the Taepodong and the Chinese Dongfeng-3 intermediate-range ballistic missile, leading analysts to wonder if China has been secretly helping North Korea's ballistic missile programs. The Taepodong missile could have up to a 3,500 km range, and have the ability to be "stretched" into a missile with a 9,600 km range. North Korea has an active and well developed nuclear weapons program, and despite world focus is believed to have built two low-yield nuclear weapons. Following its de-fueling of the Yongbyon nuclear reactor North Korea is believed to have extracted enough plutonium

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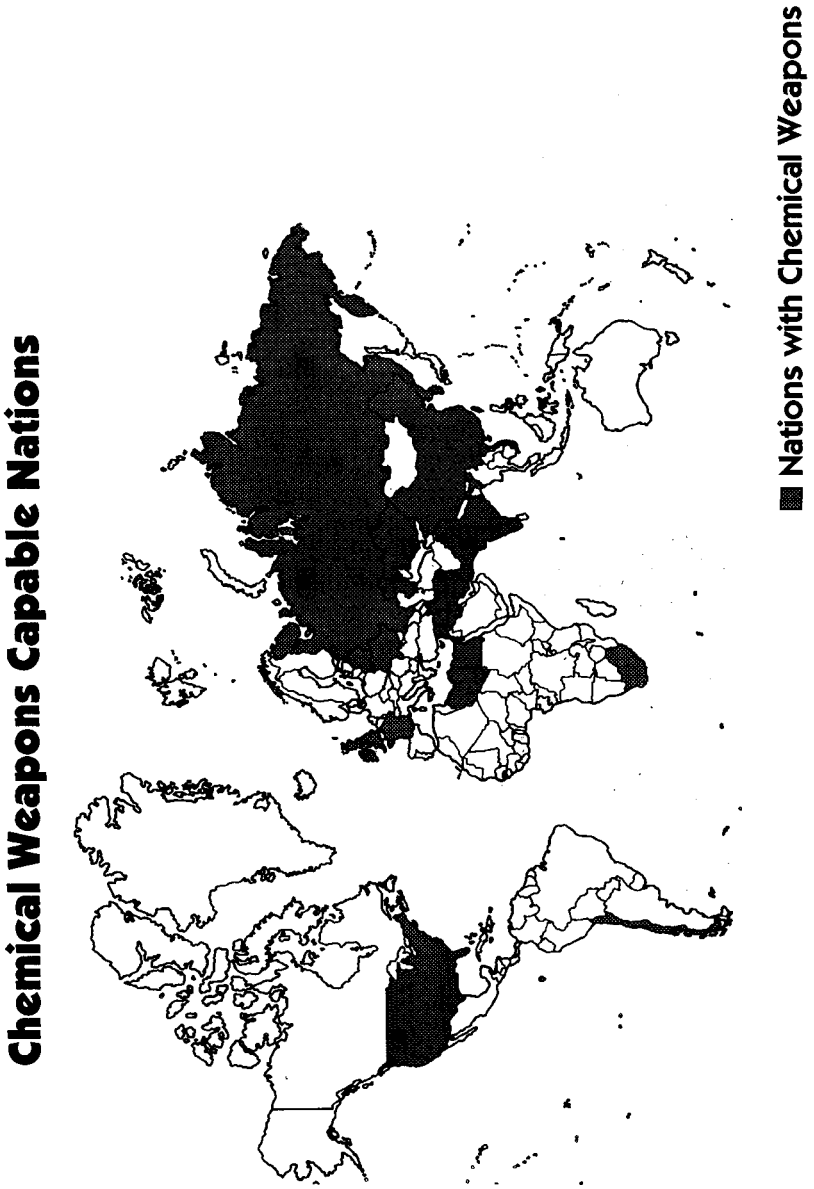

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for up to seven more nuclear weapons. It is currently in the finishing stages of constructing another large nuclear facility that would allow North Korea to process enough plutonium to construct as many as ten nuclear weapons per year. This facility is expected to come on-line in late 1995 or early 1996. North Korea is also believed to possess a large chemical weapons arsenal and may have stockpiled as much as 1,000 tons of chemical weapons. North Korea also possesses a biological weapons program, extent unknown. North Korea has sold ballistic missiles to Iran, Libya and Syria.

* **Pakistan**: Pakistan has developed a family of ballistic missiles, the Hatf-2, and the Hatf-3. The Hatf-2 is undergoing extensive testing. It has a 300 kilometer range, and is expected to be deployed in 1994. The Hatf-3 is a 600 kilometer range missile that is currently being tested by Pakistan, and it has been reported that a 1,000 kilometer version is also being developed. The Hatf-3 is not expected to see deployment before 1996. Pakistan has also purchased, and is awaiting delivery of, Chinese-built M-9 and M-11 missiles. The M-9 has a 600 kilometer range, and it is believed the M-11's range is 300 kilometers. Pakistan also has the potential for developing an ICBM. Pakistan test launched its SUPARCO space research launch vehicle in 1989, with the capability of placing a small payload into low Earth orbit. Pakistan has an active nuclear weapons program and is believed to have built several low-yield nuclear devices. Pakistan is also conducting research on chemical and biological weapons.
* **Saudi Arabia**: Saudi Arabia has purchased Chinese-built CSS-2 medium-range ballistic missiles. The CSS-2 has a 2,700 kilometer range. Saudi Arabia is believed to have paid more than $50 million per missile, giving credence to reports that they may be armed with nuclear warheads.
* **Spain**: Spain, a NATO member, recently canceled the development of a 1,300 kilometer range ballistic missile called the Capricornio. Spain has said the Capricornio would be used as a small space launch vehicle for commercial purposes and for the defense of Spain. If Spain restarts and completes the Capricornio it would be the first NATO nation other than France or Britain to acquire a ballistic missile capability.

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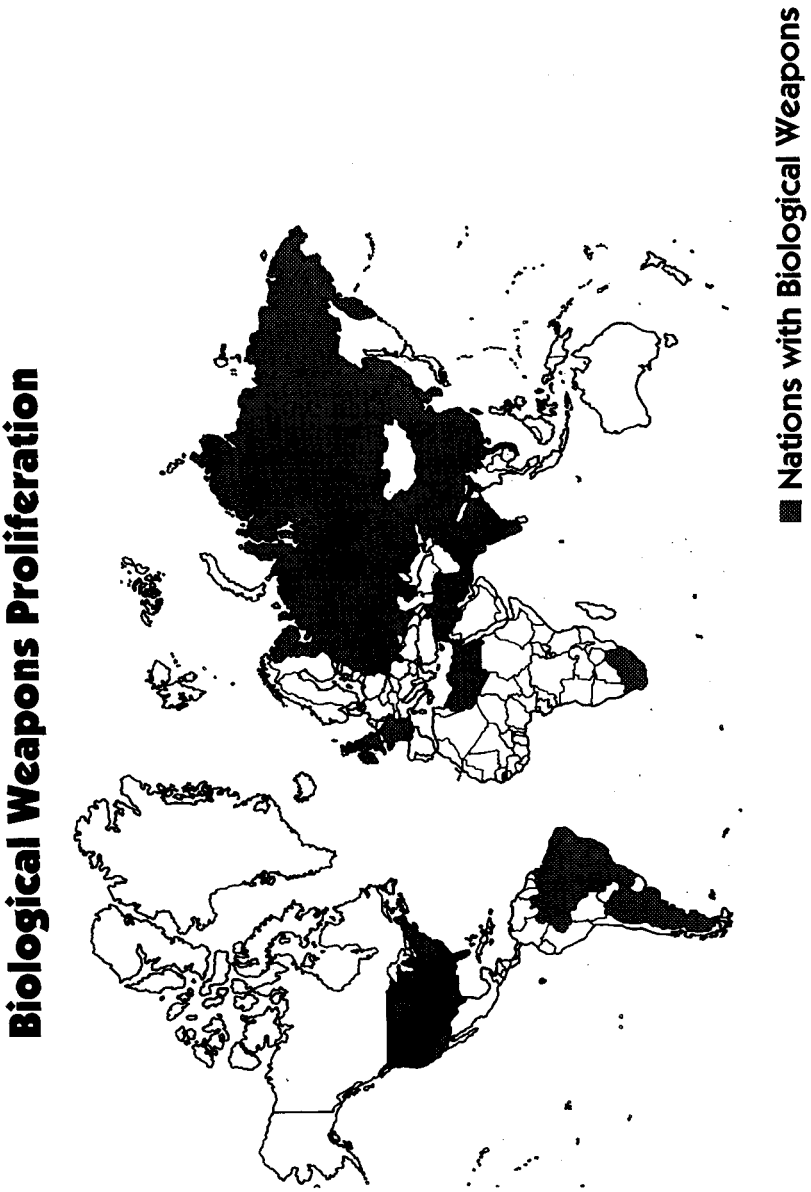

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* **South Africa**: South Africa, with help from Israel, had developed and tested a Jericho-2-derived missile called the Arniston. The Arniston, put on hold by South Africa, is believed to have a 900-1500 kilometer range. South Africa recently abandoned plans to develop a space launch vehicle, probably similar in nature to the Israeli Shavit. South Africa had also developed and built as many as seven nuclear weapons. While it has declared that it has dismantled all of its nuclear weapons, it may still retain the technical capability to restart its nuclear program in the future.
* **South Korea**: South Korea has developed and deployed the Korean SSM short-range ballistic missile. The Korean SSM has a 250 kilometer range. South Korea has also conducted research into chemical and biological weapons.
* **Syria**: Syria has been investing in a diverse array of ballistic missile systems. Syria possesses the 300 kilometer range Scud-B ballistic missile, and also possesses a number of shorter range SS-21 missiles with a 120 kilometer range. Syria has recently expanded its missile capabilities with the purchase of North Korean-built Scud-C missiles with a 600 kilometer range. Along with that sale, Syria also gained manufacturing equipment and is expected to be able to produce its own Scud-Cs. From China, Syria has purchased M-9 ballistic missiles with a 600 kilometer range, as well as solid rocket motor technology that will help it produce its own missiles. Syria is interested in acquiring nuclear weapons, and it has been reported that Syria may be getting nuclear advice from both China and Pakistan. Syria is reported to have a large chemical weapons stockpile and to have researched biological weapons.
* **Taiwan**: Taiwan has developed and deployed the Ching Feng ballistic missile with a 130 kilometer range. Taiwan is also developing a new missile, the Sky Horse, with a 950 kilometer range. Taiwan is considered to be a "threshold" nuclear power in that it could develop nuclear weapons in the future.
* **Vietnam**: Vietnam possesses 300 kilometer-range Scud-B ballistic missiles.
* **Yemen**: Yemen possesses the 300 kilometer-range Scud-B, and the shorter range SS-21. The SS-21 has a 120 kilometer range. During the on-going Yemeni civil war a number of

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> Scud missiles have been launched by both warring sides at each other's population centers. Over 100 civilians are believed to have been killed in these missile attacks.

The following nations, the "world powers", have nuclear ICBMs and ballistic missile submarines: The United States, Britain, France, The Peoples Republic of China, and Russia. New nuclear powers, former republics of the now extinct USSR, include Byelorus, Kazakhstan and Ukraine. These republics have signed the START Treaty and are supposed to remove all nuclear weapons from their territory. However, Ukraine and Kazakhstan have recently announced their intentions to retain launch authority over the nuclear weapons on their soil. An unknown number of Scud and SS-21 missiles are possessed by the former Warsaw Pact nations of Eastern Europe that may find their way into the global arms market. Other foreign space launch programs include China, Europe (the collective European Space Agency), Japan and Russia. Japan is considered to be a "threshold" nuclear power and could assemble a nuclear device in a matter of weeks if need be.

While some of the nations listed here are either currently allies of the United States, or at least neutral, their capabilities cannot be ignored. Even if the U.S. is not jeopardized by Brazil, for example, Brazil may sell ballistic missiles to another nation which is hostile to the U.S., or with which the U.S. finds itself in conflict. There are a number of international controls on ballistic missile and mass destruction technology, but these can only slow, not stop, the spread of these technologies. Over 50 years old today, the ballistic missile and nuclear genies are out of the bottle, and can never be put back in.

The U.S. intelligence community has estimated that by the end of the decade as many as 24 Third World nations will have acquired ballistic missiles. As many as half of those may acquire nuclear weapons, and even more may gain a chemical and/or biological weapons capability. CIA Director James Woolsey believes that a direct missile threat to the United States may emerge within a decade, as several nations are engaged in space flight programs that could lead to an ICBM capability. There is a definite threat to U.S. interests, allies, and forces abroad from missile proliferation, as vividly demonstrated during the Persian Gulf War.

The United States and its allies can no longer afford to ignore

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this danger. Billions of Third World dollars have been invested in missile systems, and thousands of missiles manufactured and deployed. Clearly, the wide availability of increasingly longer ranged and accurate ballistic missile systems, coupled with an increase in ballistic missile development and manufacturing capabilities in the Third World, demonstrates the need for missile defense.

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Bureaucratic Corruption and Policy Reform in Africa

John Mukum Mbaku[1]
Weber State University

Shortly after independence, many African countries abandoned the institutional frameworks inherited from the Europeans and opted for systems intended to promote economic growth and national development. Many eventually developed dictatorships and one-party systems of government; many adopted statism as the development path. It was believed that state control of resource allocation would enhance the government's ability to improve national welfare. Over three decades of state control of economic activities has failed to rid African societies of mass poverty and deprivation. Massive economic regulation has, instead, encouraged and advanced nepotism, bureaucratic corruption, and constrained the development of economic infrastructures. Statism has allowed politically-dominant groups to amass enormous wealth. Today, many Africans are in the process of effecting policy reforms to provide increased access to political and economic institutions. Incumbents and beneficiaries of bureaucratic corruption see the movement to deregulate political and economic institutions as a threat to their privileges. In some cases, incumbents and their supporters have hijacked the reform programs and are attempting to manipulate the process to ensure that they continue to maintain a monopoly on power. Bureaucratic corruption continues to be an important constraint to policy reform in Africa.

Soon after they gained independence, many countries in Africa rejected the political and economic systems that they had inherited from their colonial rulers and adopted institutional frameworks which they believed would provide the state with the wherewithal to provide for national development. Several of the new African rulers argued that in order to bring together the multitude of ethnic groups in existence in their countries and provide for economic

[1]Financial support from the Department of Economics, Weber State University, Ogden, UT 84408-3807, and the Willard L. Eccles Foundation is gratefully acknowledged. Assistance from Mrs. Julia Winfield (Secretary, Department of Economics, Weber State University) in preparing the manuscript for publication is duly acknowledged. The usual caveat applies.

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growth and development, it was necessary to have strong central governments. Multiparty systems, many of these African leaders believed, presented an opportunity for the politicization of ethnic, religious, and other social cleavages, thus, preventing the development of a national identity. Siaka Stevens, former Sierra Leone head of state, argued for example, that multipartyism is "a system of ... institutionalized tribal and ethnic quinquennial warfare euphemistically known as elections [which] contributes an open invitation to anarchy and disunity" (quoted in Decalo, 1992: 10). Agreeing with this view of multipartyism, Julius Nyerere of Tanzania remarked that "where there is one party, and that party is identified with the nation as a whole, the foundations of democracy are firmer than they can ever be where you have two or more parties, each representing only a section of the community" (quoted in Decalo, 1992: 10; also see Nyerere, 1966). Thus, after independence, many African countries opted for strong central governments with a single national party that was expected to represent "all streams of opinions and societal groups ... " (Decalo, 1992: 10).

Eventually Marxism spread to the continent and provided African leaders the ideological rationale to promote and defend the one-party system of government. As Decalo (1992) has stated, "Afro-Marxism provided lofty and socially-satisfying nationalist goals capable of anchoring society's restless and destabilizing elements-students, urban youth, labour-binding them to military regimes intent on remaining in power" (p. 10).

At issue after independence in many African countries was the choice of a development path, especially one that would result in a rapid accumulation of wealth which could be used to effect significant improvements in the standard of living of the people. Many rulers on the continent argued that the market-oriented resource allocation systems inherited from the Europeans actually hindered national development. They thus chose a development path that emphasized state control and minimized the functions of the market system. Statism was expected to provide the government with the resources needed to eliminate mass poverty and deprivation (Mbaku, 1991: 181-194; Mbaku, 1992). Many African policy makers believed that statism would siphon the enormous profits that had accrued to middlemen and make them part of the pool of resources to be used by the state to improve the national welfare. As Krueger (1992) has remarked, "[t]he role of the government was widely perceived to include not

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only the infrastructure and social overhead activities which had been carried out by governments in industrialized countries during their development, but also the direct responsibility for economic activities traditionally regarded as being in the private sector, including agricultural marketing, establishment and management of hotels and other tourist services" (7-8). The Afro-Marxist states went further than simple regulation and took over control of many market activities.

Over three decades of state control of economic activities has failed to rid African societies of mass poverty and deprivation. Massive state control, has instead, encouraged and advanced nepotism, bureaucratic and political corruption, and constrained the development of viable and sustainable economic and governmental systems (see, for example, Welch, 1970; Leith, 1974; Le Vine, 1975; MacGaffey, 1983; Chazan, 1983; Mbaku, 1992). When the decade of the 1990s began, Africa was still the poorest and least developed continent in the world. Despite massive flows of development assistance, the standard of living of most Africans has either declined since the 1960s or has improved only marginally. The significant economic potential that could have been used to improve human conditions in the continent has been squandered through perverse economic policies, bureaucratic corruption, and financial mismanagement. In 1992, of the world's 20 poorest countries as measured by the United Nations' Human Development Index (HDI), 18 of them were in Africa (UNDP, 1993: 135-137). According to Decalo, "Africa is not just the poorest continent, but the only one backsliding, with its meager advances eroded by high birth rates and economic mismanagement" (Decalo, 1992: 10). According to the World Bank, by the year 2000, many African countries will need double their present amounts of resources (foodstuffs, hospitals and other public health facilities, schools, and human capital) just to be able to avoid a fall in existing living standards (World Bank, 1991a).

The control of most economic activities by the state has produced many outcomes, the majority of which have become obstacles to economic and social development in the continent. First, state control has put a significant portion of national resources under the control of bureaucrats, offering them the opportunity to manipulate public policy to benefit themselves, their families, and their supporters. Second, the control of the economy by the state has produced politicized resource allocation systems in which the returns to factors

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of production are not determined by the marginal productivity of the resource, but by how well the factor's owner is able to influence the government or political system. Consequently, many owners of production factors devote a significant portion of their time and resources to finding ways to influence the government. Fewer and fewer resources are being devoted to the production of goods and services. The distortion of economic incentives brought about by massive state regulation has become an important constraint to growth and development (Mbaku and Paul, 1989: 63-72; Mbaku, 1991: 181-194). Finally, statism has significantly increased the cost of operating in the formal sectors of many African economies. In order to minimize the burden of state regulation on one's enterprise, many African entrepreneurs have either taken their operations underground or have joined the thousands of people who must bribe bureaucrats in order to continue to have access to markets. Bribing civil servants or bureaucrats is used to help the entrepreneurs gain access to closed markets and also to minimize the burden of government regulation on one's business. In the latter instance, entrepreneurs bribe bureaucrats, and in exchange, the civil servants lower, and quite often, eliminate the economic agent's tax obligation (Werlin, 1972; Werlin, 1973; Chazan, 1983; Mbaku, 1992). The exodus of many enterprises from the formal sectors of the African economies has eroded national tax bases, resulting in significant decreases in state revenues. In the early 1980s, when the World Bank issued its report on the constraints to economic development in sub-Saharan Africa, state control of economic activities was listed as one of the most important causes of the continent's underdevelopment. Many researchers, including some policy makers on the continent, also agree with the multilateral agency's assessment (World Bank, 1981; OAU, 1981; Ergas, 1986; Mbaku, 1988).

During the last thirty years, many dictatorial and authoritarian political systems around the world have collapsed and ushered in more participatory and competitive systems. In 1974, Portugal began a transition to political democracy that eventually spread to South America, Central America, Asia, Eastern Europe, and Africa. Since the fall of socialism in Eastern Europe and the subsequent disintegration of the Soviet Union, the democratization movement in Africa has gained significant strength. From Algeria to South Africa, the struggle has been to implement policy reforms needed to establish democratic and more accountable political systems. In April 1994,

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South Africa successfully ushered in a democratic government and inaugurated a new era in its political economy. Other African countries, however, continue to struggle with their own policy reforms. This paper argues that bureaucratic corruption, which has become endemic to many African countries, will serve as a significant constraint to successful policy reform. Bureaucrats and entrepreneurs who are currently benefiting from corruption and perverse economic policies, will oppose any attempts to deregulate markets. Post-independence policies, which include excessive government control of the African economies, have resulted in the concentration of both power and economic resources in the hands of a few groups. Notable among these are the armed forces, which in many sub-Saharan African countries, have become an important part of the national government, and certain ethnic groups that currently dominate resource allocation in several countries on the continent. These groups will oppose any effort to develop institutional frameworks capable of initiating and sustaining democratic and more accountable political systems in the continent. In addition, they will resist any attempt to deregulate economic markets since such policy reforms will eliminate opportunities for bribery, an important part of bureaucratic corruption. These groups see the desire by the mass of Africans to establish more accountable political and economic systems as a threat to their privileged positions.

The Push for Policy Reform in Africa

Groups fighting for policy reforms in the African countries have been around for many years. In South Africa, for example, the African National Congress (ANC) has been fighting against white domination of political and economic institutions in the country since the turn of the century. Recent events in Eastern Europe, however, appear to have had a dramatic and significant effect on the movement for policy reforms in Africa. After many years of life under military and civilian dictatorships, many Africans were ready to try democratic and more accountable systems. By 1990, a large number of Africans were on the streets demonstrating in favor of the redemocratization of their societies. The mass demonstrations showed that most Africans yearn for political, economic, and personal freedoms "despite the uncertainties of life under participatory systems of government and administrations" (Uwazurike, 1990: 56). For many years, the African people were deprived of their political and civil

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liberties as their governments became more and more repressive. In addition, the politicization of resource allocation deprived many people of access to economic markets and significantly increased levels of poverty in many of these countries. In 1990, political systems in many African countries had totally decayed, had become anachronistic, and were no longer capable of serving the needs of the people. Instead, the institutional frameworks in the majority of African countries had degenerated into instruments for the enrichment of national elites. In addition, the economic infrastructures in some countries in the continent had collapsed completely and the citizens were surviving primarily on donations from the developed countries. Many Africans were crying for "a total revision of the fundamental charter of the State, underpinned by political liberalism and accountability" (Decalo, 1992: 14). As is the case in South Africa, the internal struggle for policy reforms has been led by groups, which have, for many years, been denied unrestricted access to markets.

The external environment has also had a significant effect on the push for policy reforms in Africa. After the collapse of the Soviet Union and the subsequent cessation of super-power rivalry, Africa lost most of its strategic importance to the West. According to Decalo (1992: 14), with end of the Cold War, "disappeared any artificially-enhanced global value that Third World states had been able to extort from the former Cold War protagonists." As a result, African dictators were no longer able to secure the resources (foreign aid and military assistance) that they needed to maintain a monopoly on power. In fact, it was the loss of Soviet aid that contributed to the collapse of dictatorships in, for example, Ethiopia and Somalia. Deteriorating economic conditions have also intensified the search for external resources for development. In order to attract risk capital to their economies, these countries must undertake reforms to make their economies more attractive to multinational companies.

The World Bank and the International Monetary Fund (IMF) have, for several years now, become involved in conditionality lending to the African countries. In order to qualify for additional credit, African countries have been forced by these international lenders to implement a basket of policy reforms, which include a reduction in the size of the public sector, devaluation of the local currency, reduction of controls on international trade, and a greater reliance on markets for resource allocation (Cheru, 1989; Weissman, 1990; Shaw,

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1991). Since the end of the Cold War, American foreign aid policy has been revised to take account of not only the pace at which prospective recipients are progressing towards economic deregulation, but also that at which they are moving towards the establishment of democratic political systems. As a result, a country's resource allocation system and the degree to which its citizens enjoy political and civil liberties are now used as important criteria by the Congress of the United States for the determination of which country should be granted development assistance (Decalo, 1992: 23).

The United States is not the only international donor to consider the nature of a country's institutional framework in aid decisions. Recently, France, an important benefactor to many African regimes, has become very interested in the reform movement on the continent. Although it was quite slow to join the push for policy reforms in Africa, France has been leaning very hard on its former colonies to reform their political systems and deregulate their economies or risk the loss of metropolitan development and military assistance. A significant part of French aid to the continent is now conditional on the level of each recipient country's commitment to policy reforms. For now at least, policy makers in France are no longer willing to support dictatorships on the continent through liberal budget subventions. The developed countries are now using their aid funds to push for policy changes in Africa.

After many of their ideological models collapsed in Eastern Europe, it was quite difficult for Afro-Marxist regimes to continue operating as usual. The disintegration of the Soviet Union resulted in a significant loss of financial and military assistance to Africa's Marxist governments, making the latter's continued monopolization of political and economic power difficult. The impetus for policy reforms in Africa, thus, has come from several sources, both within and outside the continent.

Economic Regulation and Bureaucratic Corruption in Africa

As part of the attempt to effectively deal with mass poverty and deprivation, African countries opted for statism as their development path shortly after they gained independence. As was mentioned earlier, statism involved regulation of economic activity and state ownership of the means of production. Both regulation and ownership created opportunities for bureaucrats to appropriate national resources for their own use.

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Excessive economic regulation has constrained the development of markets and significantly raised the costs of doing business in the formal sector. According to Kimenyi (1991), state control and regulation of the African economies has created duality in these economies as economic agents join the informal sector to minimize the burden of regulation on their enterprises. Owners of enterprises facing increased costs of operation in the formal sector have three options to choose from. First, they can seek to join the politically-dominant group since the enterprises of the latter are usually granted exemption by those whose job it is to enforce the regulations. Second, they can bribe the regulators and the law enforcement community to gain special exemption from the laws. Finally, they can exit the formal sector and join the underground economy. In the informal sector, entrepreneurs must deal with harassment from the police and other members of the enforcement community who regard the escape to parallel markets as an infringement on their ability to extract the bribes that form an important portion of their total compensation package. For entrepreneurs in many African economies, bribery and other forms of corruption are important vehicles to minimize the burden of government regulation on their businesses (Mbaku, 1992).

Several types of state controls exist in the African economies. These include regulation of international and, domestic trade, and controls on the credit markets. Controls on the external sector include import licensing, export subsidization, and foreign exchange rate regulation. Intervention in international trade provides opportunities for entrepreneurs to bribe civil servants in the licensing bureaus to secure the lucrative permits (Mbaku and Paul, 1989; Mbaku, 1992).

In the domestic economy, the government may manipulate prices on agricultural products in order to effect wealth transfers from farmers to the politically-dominant urban sector. The government establishes price control regimes which allow urban consumers to purchase foodstuffs at below market prices. In addition, the state passes laws that prevent farmers from selling their products directly in the international marketplace. Such commodities must be sold to state parastatal agencies (usually called agricultural marketing boards-AMBs) which have been granted the license to monopolize a certain sector of the export market. These products are usually purchased from the farm sector at below world market prices and then sold abroad competitively. The surplus extracted from the farm sector

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becomes part of the pool of resources used by the incumbent to purchase regime security. The existence of such controls opens up opportunities for economic agents to bribe civil servants in an effort to gain access to the resources controlled by the state (Schultz, 1978; Kimenyi and Mbaku, 1990).

Government regulation of the African economies also creates opportunities for bureaucratic corruption in the credit markets. Controls in the capital markets include credit rationing, interest rate manipulation and the establishment of special agencies that grant subsidized loans to entrepreneurs who are willing to invest in government-designated priority areas for development. Opportunities open up for bribery and corruption as economic agents attempt to influence bureaucrats in order to gain access to the "cheap" credit created by the state.

Some researchers believe that corruption in the developing countries evolves from the conflict between traditional values and the foreign norms that follow modernization. As a result, corruption is seen as an unavoidable part of the process of social and economic development (Bayley, 1966; Alam, 1989). According to Alam (1989: 442), corruption is "an attribute of all principal-agent relationships and as such may be defined as (1) the sacrifice of the principal's interests for the agent's, or (2) the violation of norms defining the agent's behavior." The latter definition is derived from the functionalist school, which regards bureaucratic and political corruption "as a departure from the norms of modern bureaucracy" (Alam, 1988: 442). Bayley (1966: 720) defines corruption as "a general term covering misuse of authority as a result of considerations of personal gain, which need not be monetary." Werlin (1973: 73) argues that political corruption is the "diversion of public resources to nonpublic purposes." Most Africans regard bureaucratic corruption as a practical matter involving "outright theft, embezzlement of funds or other appropriation of state property, nepotism and the granting of favours to personal acquaintances, and the abuse of public authority and position to exact payments and privileges" (Harsch, 1993: 33). Nye (1967: 419) views corruption as "behavior which deviates from the formal duties of a public role because of private-regarding (personal, close family, private clique) pecuniary or status gains; or violates rules against the exercise of certain types of private-regarding influence."

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In a recent essay, Gillespie and Okruhlik (1991: 77) have argued that while "there is a consensus that corrupt behavior involves misuse of public authority for private gain, debate exists over the criteria used to determine when authority has been misused." If one's definition of bureaucratic corruption is based on an existing legal code that is used to regulate the activities of civil servants, then it is possible to make comparisons between nations. If, on the other hand, corruption is defined by "either public opinion or a breach of the public interest" (Gillespie and Okruhlik, 1991: 77), then it would be quite difficult for a researcher to make comparisons across countries (Mbaku, 1992).

Researchers have identified four classes of corrupt behaviors. In the first type of corrupt behavior which is usually called cost-reducing corruption, civil servants attempt to reduce the costs imposed on the entrepreneur by government regulations below their normal levels. Such corruption may involve an illegal reduction in the tax burden of a business owner, and exemptions from meeting certain laws and regulations. In exchange, the entrepreneur shares the cost-savings with the civil servant through bribes. The second type of corrupt behavior is called cost-enhancing corruption. Regulation of the African economies creates many opportunities for civil servants to practice this type of corruption. For example, when the government imposes a price ceiling on foodstuffs sold in the urban area, shortages arise. Civil servants with control over government stocks of food-stuffs, may then attempt to extract the rents created by the price intervention. Thus, prospective buyers are charged a price that is higher than the ceiling. In similar fashion, civil servants in charge of issuing permits or licenses to enter economic sectors closed by state regulation (e.g., an import license) can also extract part of the monopoly profit associated with the permits. And, finally, the bureaucrat can appropriate private resources (for example, through illegal taxation) for his own use. In the third type of corruption, civil servants allow more public benefits to accrue to individuals or groups than are legally due the latter. Through collusive agreements between recipients and bureaucrats, the latter share in the excess benefits. This type of corruption has proven very useful in dictatorial regimes where it is used to siphon resources to the incumbent's supporters. It is also used to pay bribes to competitive group elites (e.g., military leaders) to allow the incumbent to continue to maintain a monopoly on power. In the fourth and final type of corrupt

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behavior, which is called benefit-reducing corruption, bureaucrats directly appropriate the benefits of private citizens. For example, the director of the national pension program may delay the payment of retirement benefits to a group of citizens and subsequently appropriate the interest earnings generated by these resources for his own use. Given the fact that bureaucrats in the developing countries, especially in Africa, have more information about public benefits programs than does the ordinary citizen, this type of corruption can be accomplished relatively easily (Alam, 1989: 442-443; Mbaku, 1992: 254).

Bureaucratic corruption allows the civil servant to increase his total compensation package above and beyond the legal limit. Note that the bureaucrat's compensation consists of the salary paid to him by the state and income earned from outside activities. Mbaku (1992: 247) has argued that "[i]f bureaucrats are able to earn more income from external sources (e.g., from interest groups seeking government transfers or relief from government regulation) than from their regular employment, they may pay more attention to the demands of interest groups than to the needs of society as a whole." In heavily regulated economies, civil servants, whose job it is to ensure the proper functioning of the economic system, may spend most of their time helping entrepreneurs avoid the laws and minimize the burden of these laws on the latter's businesses. In exchange, the civil servants are paid illegal compensation by the business owners. Thus, in addition to enriching civil servants, bureaucratic corruption also allows a few entrepreneurs to maintain privileged positions in the economy. Politicians, who act as wealth brokers, benefit from corruption also. For one thing, bureaucratic corruption provides the resources needed by the incumbent for regime security and serves as a framework used to funnel resources to the ruler's supporters (Mbaku, 1992: 254-255).

It is important to note that any examination of bureaucratic corruption must emphasize the activities of private individuals who contribute to the corruption of public officials. For, without the supply of bribes by those seeking government favors, most bureaucratic corruption would be restricted primarily to the appropriation and theft of state property, nepotism, and illegal taxation. Payments to civil servants to minimize the burden of government regulations on one's enterprise, and also to gain access to economic sectors closed by the state, constitute important sources of extra-legal income for bureaucrats. Through these activities, the private sector contributes

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significantly to bureaucratic corruption (Mbaku, 1992; Harsch, 1993).

Bureaucratic corruption in Africa has been studied extensively by many researchers (see, for example, Werlin, 1972; Werlin, 1973; Le Vine, 1975; Chazan, 1983; MacGaffey, 1983; Kimenyi, 1991; Mbaku, 1992). Some of the celebrated cases include the excesses of the Nkrumah regime in Ghana, the Mobutu government in Zaire, and the thuggery and looting of public resources under Nigerian's military regimes.

Ghana gained independence from Great Britain in 1957 and Kwame Nkrumah became the country's first Prime Minister. Shortly after independence, Nkrumah abandoned the institutional framework inherited from the British and opted for a one-party system. Statism was adopted as the country's development path and efforts were made to turn the country into a socialist state. Less than ten years after independence, Ghana had developed into a venal society, with a "repressive and controlled internal economic structure in which access to lucrative positions in the economy was regularly sold by bureaucrats" (Mbaku, 1992: 256). Ghana's politicized resource allocation system provided bureaucrats with many opportunities to demand and receive bribes from entrepreneurs seeking access to the economy (Leith, 1974; Werlin, 1972; Mbaku, 1992). According to a commission of inquiry appointed to investigate corruption in the Nkrumah government, Mr. A. Y. K. Djin, Nkrumah's Minister of Trade, took control of the issuance of import licenses and "fraudulently exploited the situation created by himself for his own benefit, to the advantage of members of his family and personal friends" (Quoted in Leith, 1974: 25). The same commission found that in Nkrumah's government, a bribe "of from 5 to 10 percent was expected in return for government contracts. The CPP [Nkrumah's party] garnered about 90 percent of its income in this way, amounting to over $5 million between 1958 and 1966, which Nkrumah freely used for his own purposes" (Werlin, 1972: 252).

Nkrumah's was not the only African regime to be corrupt. In fact, as several studies have shown, bureaucratic corruption is pervasive throughout the continent. Ergas (1986: 306) claims, for example, that there is sufficient evidence to show that since Mobutu came to power in Zaire, he has appropriated more than U.S. $9,000 million from the country's economy for his own use (also see MacGaffey, 1983). According to Gould (1980: 32), bureaucratic corruption, which has eventually become a central part of political

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and economic activities in Zaire, has promoted the "consolidation of the economic base of the bourgeoisie." In a 1985 study, Kameir and Kursany found that in the Sudan, bureaucratic corruption had become an important framework for private capital accumulation. According to Diamond (1987: 579) corruption has become "the primary mechanism of dominant-class formation" in the continent. While political corruption is used to build and consolidate political power, bureaucratic corruption is used primarily to amass personal wealth.

Bureaucratic corruption in Africa has not been restricted to countries with any particular political ideology or economic system. Thus, it has been as pervasive in states such as Tanzania, Angola, and Mozambique, "which for many years proclaimed their adherence to some form of socialist programme that frowned on private enrichment and capitalist accumulation" (Harsch, 1993: 37), as it has been in so-called capitalist states such as Nigeria and Côte d'Ivoire. Nkrumah's unique brand of African socialism facilitated and promoted massive corruption in Ghana. As discussed earlier, in countries in which statism was adopted as a development path, bureaucratic corruption became rampant since the relatively large public sectors provided ample opportunities for civil servants to appropriate state property. In addition, excessive regulation of private activities allowed bureaucrats to demand bribes from entrepreneurs in exchange for favorable treatment of the latter's enterprises by the regulators. In these and other countries in Africa, excessive regulation of economic activity and political monopolization has allowed a few individuals and groups to enrich themselves at the expense of the majority of the people.

Today, the policy reform movement aims to accomplish the following. First, reformers want to deregulate the political system and provide all citizens with access to political institutions at all levels. There is almost universal agreement that political domination by a few individuals should be ended. Second, the reformers want to introduce economic reforms that will provide citizens with unrestricted access to markets. Although expressions such as capitalism, free enterprise, and market economy are being used on the continent, there is no general agreement on any one single development path. Most of those who have been systematically excluded from gainful economic participation agree that the present system must be reformed and the mass of people given more opportunities to

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participate in national development. Deregulation or the introduction of competitive political and economic institutions will eliminate opportunities for bureaucratic corruption and make the state less attractive as an instrument of private wealth accumulation. For example, if restrictions on international trade are lifted and import licenses no longer required, then bureaucrats at the Ministry of Foreign Trade will no longer be able to earn enormous amounts of money from selling import licenses, nor will customs officers be able to extract bribes from importers, who traditionally have bribed the officers in order to minimize their import-tax burden. As a result, as will be examined next, one of the most important obstacles to policy reforms in Africa is the opposition provided by incumbents who see deregulation as a threat to their privileged positions. If the policy reforms are successful, these well-placed individuals and groups will lose their monopoly on power, and subsequently, their access to economic resources.

Bureaucratic Corruption as a Constraint to Policy Reform in Africa

Bureaucratic corruption has provided certain groups in the African economies privileged positions in government as well as enormous wealth. Since independence, corrupt bureaucrats and politicians have promulgated policies that have allowed them to monopolize both economic and political institutions. While perverse economic policies have enriched a few individuals, notably politicians, military elites, and a handful of entrepreneurs, the mass of the African peoples have remained essentially poor and severely deprived. In addition, they have been effectively denied access to political participation. Today, Africans want to implement policy reforms that would restore their political rights and civil liberties, and increase their level of economic participation. Unfortunately, many bureaucrats, politicians, and military elites, see the desire for policy reform as a threat to their privileged positions, and thus have mounted severe opposition to the deregulation movement. In some instances, incumbents have seized the reform initiative from its proponents and have evolved it into a "managed" program that ensures that the former will continue to maintain a monopoly on power. Managed democratization, for example, has become an important part of the policy reform movement in the continent. From Algeria to South Africa, incumbents want to control the pace and nature of reforms in order to guard against the loss of their privileges. In this section, a

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few examples from the continent will be cited to illustrate how the existence of corruption-generated rents continues to derail policy reform in Africa.

Although many of Africa's policy reform leaders see the accumulation of wealth and capital as a legitimate and valid pursuit, they, however, believe that it should be carried out within the private sector and in the market-place. Such an accumulation is important in the building of a middle class, which according to Nicéphore Soglo, a former World Bank official who later became Prime Minister of Benin, is the backbone of democracy (de Barrin, 1990). In Africa today, the fear is that bureaucratic corruption, which represents an important framework through which many people have amassed enormous wealth, will complicate the process of nation building and make it difficult to build the kind of professional and efficient administrative apparatus that is needed to sustain a democratic and accountable political system. Incumbent politicians, bureaucrats, and entrepreneurs, who have enriched themselves through corruption are likely to mount opposition to reforms or attempt to manage them in order to continue to control political and economic institutions (Ihonvbere, 1991; Mbaku, 1992; Harsch, 1993).

Recent events in Algeria provide an excellent illustration of the derailment of policy reform by groups fearful of a loss of their privileged positions. Algeria held its first democratic elections in over thirty years at the end of 1991. As a result of the collapse of pan-Arabism and a failed socialist economic agenda, the *Front de Libération Nationale* (FLN), the party that had controlled Algeria since independence, agreed to end single-party rule and introduce free democratic elections in an attempt to establish a more accountable governmental system. It was anticipated that the political reforms would be followed by the gradual introduction of market reforms in response to deteriorating economic and social conditions. As preparation for the democratic transition, Algeria held field and municipal elections in June 1990. The government had hoped to "stem the tide of Islamic fundamentalism by exposing it to the rigors of democracy" (Hermida, 1992, p. 14). The fundamentalist party *Front Islamique du Salut* (FIS) performed exceptionally well. On December 26, 1991, the country held preliminary legislative elections and the FIS continued its impressive performance by winning 188 seats while the incumbent FLN managed to capture only 15 seats (McColm, 1993, p. 23). Soon after the election results were officially

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released, many groups, notably urbanites and civil servants, launched protests against the FIS victory. Some observers claim that many of these groups did not believe that the FIS would respect the democratic system that had allowed them to capture the apparatus of government. Despite the fact that incumbent president Chadli Benjadid was willing to share power with the FIS and hopefully keep the fundamentalist fervor in check, the military still felt threatened. It had now become apparent that the FLN would lose its monopoly on power since the FIS was expected to win the second round of elections scheduled for January 1992. The Algerian military, afraid of losing its privileges under a fundamentalist-led government, staged a coup that overthrew the government of Chadli Benjadid and imposed marshall law on the country, effectively preventing the FIS from taking over the apparatus of government. Former independence leader Mohammed Boudiaf was installed as the country's new president. Shortly afterwards, the FIS was banned as a political party and many of its leaders eventually tried and sentenced to long prison terms. Representatives of the military claimed that the coup was conducted primarily to "safeguard national security and public order" (Hermida, 1992, p. 15) and to preserve the country's embryonic democratic system. Military activities after the coup, such as the brutal treatment of FIS leadership and the complete dismantling of the party's political organs, however, indicate that the FIS had been seen as a threat to military privileges (Hermida, 1992).

While one might argue that military initiatives in Algeria were not a plot against the democratization effort, and as a result do not constitute a setback to policy reforms on the continent, it is quite difficult not to see the Algerian example as a precedent for other nations in Africa. Soldiers in other African countries are likely to use their comparative advantage in the employment of violence to make certain that political groups that are not sympathetic to special privileges for the military not be allowed to occupy leadership positions in the national political system. The Algerian case has illustrated that the African military, which since independence, has helped politically-dominant groups monopolize economic and political institutions, and in exchange has been granted significant privileges, will continue to be an important constraint to policy reform.

Nigeria's recent democratic transition was initiated in July 1992. It was hoped that by January 1993 the country would have a civilian democratic government. Political engineering by the military,

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however, has allowed military elites to continue to rule the country as they have done during the last 23 of Nigeria's 34 years of existence as a sovereign nation. Nigeria's first republic collapsed in 1966 following a military coup by Major Chukwuma Kaduna Nzeogwu. Subsequently, a military dictatorship that lasted until 1979 was established (Ojiako, 1979). The country's first democratic transition was terminated by a military coup in December 1983 and since then the country has been under military rule (Ihonvbere, 1991; 1992). Since independence, Nigerian society under both civilian and military rule has been characterized by increasing levels of bureaucratic corruption (see, for example, Ekekwe, 1986: Ergas, 1986).

The present military government came into office in November 1993, having seized power from a puppet civilian government that had lasted only a few months. The reasons for the pervasive presence of the military in Nigerian politics have been examined thoroughly by several authors (see, for example, Falola and Ihonvbere, 1985; Ihonvbere, 1986). In addition to the personal ambitions of military elites, massive corruption among the nation's civil servants is usually given as an important reason for military intervention. Unfortunately, military elites have been part of the thuggery and corruption that has characterized Nigerian political and economic affairs since independence. Military intervention in the country's political affairs can be seen as part of the continuing struggle to use the apparatus of state as a framework for private capital and wealth accumulation. Military domination of the process is based on the latter's comparative advantage in the use of violence. Each successive military dictator has promised a quick return to civilian democratic rule, but few (except General Olusegun Obasanjo who returned the country to civilian rule in 1979) have kept that promise. Instead, military rule has been characterized by the suffocation of civil society, repression, economic and financial mismanagement, increased levels of corruption, and continued marginalization of the masses.

When Babangida took office in a palace coup in 1985, he declared that his "administration will not stay a day longer than is absolutely necessary" (Babangida, 1989, p. 33). He also promised to rid the country of massive corruption. Yet, after more than eight years in office, corruption is still pervasive and the country is still ruled by decree. The economy has deteriorated and per capita income has fallen from a high of U. S. $1,110 in 1982 to a low of U. S. $290 in 1991 (World Bank, 1991b, pp. 2-3; World Bank, 1992, pp.

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18-19). His administration developed and promoted a transition program that was expected to return the country to civilian rule by 1990. The dateline, however, was later shifted to October 1992, and subsequently to January 1993. Since then, some observers believe, the Babangida administration has carefully managed the transition to democracy to ensure a significant role for the military after 1993. The regime's transition program was based on (l) significant financial commitments by the federal government in order to prevent outright purchase of the political system by rich and corrupt Nigerians; (2) the provision of the political institutions needed to effect the transition; and (3) the prevention of certain groups and individuals from participating in the transition. Despite the fact that the government argued that such control was designed to ensure a smooth transition to democratic rule, many opponents of the military believe that Babangida's effective control of the transition was either designed to prolong military rule or to ensure that democratization was achieved on military terms (Ihonvbere, 1992, pp. 109-110).

Real implementation of the transition program began with the lifting of the ban on political parties in May 1989. However, by October of that year, the military government had declared invalid the applications of all 50 political parties for official recognition, lending support to claims by some observers that the military was either dragging its feet or managing the transition to ensure its continued control of the country. As an alternative, the military government created two political parties, the Social Democratic Party (SDP) and the National Republican Convention (NRC) and imposed platforms, offices, and financial support on them. According to Adams (1993, p. 27), both parties "are artificial creations of the military regime, with their manifestos issued like equipment, designed to take the sting out of ethnic divisions and to take the policies out of civilian parties." The government had claimed that the decision to impose the two "secular" parties on the people was motivated by its effort to cancel ethnic and religious animosities and drive them out of Nigerian political life. The latter, however, continue to be the driving force behind Nigerian politics (Adams, 1993; McColm, 1993). Babangida also claimed that the financing and control of the transition by the government was designed to ensure that the process was not hijacked by rich and corrupt Nigerians. Evidence, however, shows that despite those claims, the rich and powerful Nigerians, beneficiaries of the corruption that has pervaded the country since

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independence, have emerged as leaders of the transition. As Ihonvbere (1992, p. 112) has stated, while it was claiming to be "keeping the moneybags away from dominating the political processes, the regime was directly strengthening their role and participation in the political processes by preventing labor, students, radical intellectuals, and other popular organizations from participating in the political transition program." Such manipulation, Ihonvbere continues, has allowed political cronies such as Chief Arthur Nzeribe, Chief Onwuka Kalu, and others, and retired military operatives such as Major-Generals Shehu Yar Adua and Agbazika Innih, with little or no political experience to dominate and in some cases control the political transition. For most of these people, their only qualification is their wealth, most of which was accumulated through corruption (Ihonvbere, 1992, p. 112). In fact, the two candidates who emerged to head the parties created by the military government have no political experience and no record of public service. Their main achievement is that they are both very rich and are friends of the military ruler. Tofa, little known outside his native Kano, became the leader of the NRC and Abiola, a self-made millionaire, won the nomination of the SDP despite his reputation for corrupt business practices (Adams, 1993, p. 28). Some observers believe that the two political parties are civilian offshoots of the military regime which will serve as "a guarantee of safe conduct for the outgoing hierarchy and perhaps a return ticket if civilian rule quickly disintegrated" (Adams, 1993, p. 28). Mass calls for the investigation of corruption charges against the two candidates were ignored by the government and its National Electoral Commission (NEC).

Under the control of the military government, the transition appeared to progress as planned. On July 4, 1992, the country held its first parliamentary election in 12 years. Since there were no ideological differences between the two parties and since their platforms were handed to them by the government, voting was based primarily on differences in the individual personalities of Abiola (SDP) and Tofa (NRC). Although the government had feared that voting would be along religious lines, with the NRC emerging as a predominantly northern and Muslim party, and the SDP as a southern and Christian party, the voting crossed religious and geographic lines. In official results, the SDP won 47 seats in the 91-seat Senate and 310 in the 598-seat House of Representatives. The final phase of the transition started on August 1, 1992 with

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primaries in 5 out of the 30 states for the presidential elections due to take place in December. These primaries were characterized by massive vote fraud and on August 6, 1992, the military government voided the results. In September, a second attempt was made but the military again ruled them void because of reported vote-buying and vote-rigging. On October 7, 1992, the government suspended activities by the two legal political parties and subsequently voided the results of the primaries and appointed caretaker committees to take over from the national and local leaderships of the parties (McColm, 1993, pp. 392-393).

Babangida announced on November 17, 1992 that elections for a national president would be held on June 12, 1993 with the civilian government to assume office on August 27, 1993. In June 1993, Nigerians finally went to the polls to choose their next civilian president. Many observers within and outside Nigeria, however, continued to argue that the military government was not about to hand over government to civilians. Others argued that if transition to civilian rule was achieved, it would only be under conditions in which the military's privileges were preserved. Some mentioned the fact that Babangida's proposed retirement quarters in Minna would also be the headquarters of the army as an indication that the military did not intend to retire to the barracks and serve its traditional role as defenders of the nation against its external enemies (Adams, 1993, p. 28). Although the bulk of Nigerian voters were skeptical about the military government's transition program, they still participated in the election. The election returns showed Abiola was winning, but before they could be made official, the military government suspended the results and announced that new elections would be held in July to determine who would form a civilian government. As the voting took place, many Nigerian citizens were skeptical that the military would actually return to the barracks and allow civilians to form a government. Some Nigerians believed General Babangida was aware of the fact that they were tired of military rule and yearned for a return to civilian rule. While this latter group of Nigerians believed that the military would eventually surrender power to civilians, they cautioned, however, that the military was likely to manipulate the transition to make certain that it continued to dominate the country's political economy. Babangida did leave office but only under conditions favorable to the armed forces. In leaving office, he did not hand over the apparatus of government to the winner of the June Presidential

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elections. Instead, he chose businessman Ernest Shonekan, considered a puppet of the military, as the President and Head of State. Shortly afterwards, General Sani Abacha overthrew Shonekan's nominal government and quickly returned the country to military rule.

Nigeria is not the only country in which the military is either attempting to manipulate the transition in order to retain its privileged positions or to prevent it from taking place. Through military and political engineering, President Mobutu Sese Seko, with the help of his elite security forces, has continued to frustrate the efforts of reformers in Zaire, who are trying to democratize the country's politics and bring needed reforms to its economy. In April 1990, Mobutu announced that he was introducing a limited form of democracy in the country. Many people thought that by this time (1993), he would no longer be part of the leadership of the country. Yet, Mobutu, who has ruled the country for 28 years and has, through corruption amassed an enormous fortune, continues to maintain his monopoly on power (wa Mutua, 1993: 54).

Mobutu has monopolized power in Zaire since 1965. Before 1990, when independent political parties were legalized, Mobutu's regime allowed only candidates approved by the ruling Popular Movement of the Revolution (MPR) to participate in elections for the National Legislative Council, an institution that was totally subservient to him. Faced with political pressure from inside as well as from outside the country, the government announced a limited democratization program in 1990. By 1991, however, it had become clear, even to the casual observer, that the reform program was not expected to have a significant effect on monopolization of power by Mobutu and his supporters. Mobutu has controlled the democratic transition in an effort to retain his control of political and economic institutions. As a result, he has indicated that he would continue to maintain control over the armed forces and the national treasury even if a new civilian government is installed. That, of course, has not been acceptable to the opposition (McColm, 1993: 542-544).

In the summer of 1991, opposition groups organized the Sacred Union of Forces for Change and called a national conference for August in Kinshasha, the national capital. Two weeks later, however, opposition leaders called for a boycott of the conference to protest the government's attempts to stack the conference with Mobutu's supporters and control its agenda. Hoping to take advantage of an

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opposition that was struggling to organize, Mobutu called for immediate elections in 1992. Opposition leaders, however, protested the early elections, since the national conference had still not appointed a transitional government which could organize and run the elections without interference form Mobutu, who subsequently announced that he intended to stay as the nation's head of state until after the election for president was concluded.

Nguza Karl-i-Bond, of the Union of Federalists and Independent Republicans (UFERI), a party that had been expelled from the Sacred Union, was appointed prime minister by Mobutu on November 25, 1991. The following week, the National Conference met again and elected Monsignor Laurent Monsengwo Pasinya as its president. In addition to the fact that the archbishop had defeated a Mobutu supporter to get the job, the final conference membership list and the agenda showed that the incumbent government had lost control of the conference to the opposition. In reaction, Mobutu suspended the conference indefinitely on January 19, 1992.

Zaire's cold war benefactors, the United States, Belgium, and France were quick to condemn the suspension of the conference. Locally, several groups, including the Sacred Union, protested the suspension. On February 16, 1992, 40 people were shot dead during a peaceful but "illegal" march. The government claimed that the protesters had provoked the police and were also part of an attempt to illegally overthrow the government of Mobutu. In April, after significant foreign and domestic pressure, Mobutu allowed the National Conference to reconvene. Conferees immediately moved to assert their independence by taking actions which Mobutu regarded as a challenge to his authority. In addition to adopting resolutions to change the country's name back to the Congo, the conferees also moved to bring back the country's original flag which was abandoned on orders form Mobutu. These symbolic actions were interpreted by Mobutu as an affront to his authority. He subsequently increased his threats against the conference and demanded that a referendum be held to consider the measures advanced by the conference. On August 15, the conferees conceded to the referendum issue and subsequently appointed Mobutu opponent Etienne Tshisekedi of the Union for Democracy and Social Progress (UDPS) as the nation's transition prime minister. Nguza Karl-i-Bond resigned his position as prime minister but announced that his home province of Shaba would not recognize Tshisekedi's authority. Shortly afterwards,

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bloody civil strife re-emerged in the province as supporters of both men battled each other. By December 6, 1992, when the National Conference adjourned, a transitional charter, which was expected to replace the existing constitution and dissolve Mobutu's parliament, had been drafted. In addition, the conference also chose Monsignor Monsengwo Pasinya as the president of the new legislative assembly, the High Council of the Republic (HCR). In response, Mobutu suspended the HCR on December 11, 1992 (McColm, 1993).

Since the HCR took office, Mobutu has made an effort to either undermine it or dissolve it. The National Conference which created the HCR had hoped that the latter would lead the country to its first free election since 1960. Given Mobutu's resolve and what he has done so far, many observers are skeptical that the country will be able to hold national elections scheduled for August 1994. As already mentioned, Mobutu attempted to close down the National Conference and prevent it from proceeding with its work. Failing that, he tried to weaken its leadership. In a period of three years, he appointed five prime ministers in an effort to prevent the capture of the government by Tshisekedi and the Sacred Union. Despite his machinations, the National Conference persisted and succeeded in creating the HCR, which together with Tshisekedi, has been given most of Mobutu's powers. However, Mobutu continued to struggle with the prime minister and the HCR over control of the country. In March 1993, in a last ditch effort to undermine the government of Tshisekedi, Mobutu convened a "conclave" that was attended by "his hand-picked cronies led by his office director, veteran politician Professor Vunduawe Te Pemako, formerly a member of the central Committee of the Popular Movement for the Revolution (MPR), the single party that ruled Zaire until 1990" (wa Mutua, 1993: 54). In March 1993, the group met with Archbishop Monsengwo Pasinya to discuss Mobutu's concerns and put together an agenda for a future meeting between the two opposing forces to resolve the political crisis. Mobutu's demands were not acceptable to the pro-democracy forces. For one thing, Mobutu wanted the prime minister, Tshisekedi, fired and replaced by someone sympathetic to the dictator. In addition, he wanted the new constitution rewritten restoring his powers, and a shorter period for the national elections than the two years imposed by the national conference. Mobutu's "conclave" had recommended that former Tshisekedi aid Faustin Birindwa be appointed prime minister. Until February 1993, Birindwa was a

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senior executive with the UDPS, but was sacked for "selling out" to Mobutu. After he was named by Mobutu as prime minister, Birindwa claimed that he hoped to work with the president to bring democracy to Zaire. Both the HCR and Tshisekedi rejected the appointment of Birindwa and termed it an attempt by the dictator to control the transition and either continue to rule the country or promote the installation of a puppet government that would remain subservient to him.

In late March 1993, Mobutu's rubber-stamp National Assembly met in an attempt to challenge the HCR and effectively hijack or derail the reform movement. In addition, this group of Mobutu cronies was expected to examine and amend the rules and regulations governing the transition. In other words, the National Assembly is expected to ensure that the transition does not dilute or eliminate Mobutu's and their political power base. Mobutu and the people who have benefited from more than thirty years of corruption, financial and economic mismanagement, and outright theft of national resources, continue to frustrate the democratic transition in Zaire.

Summary and Conclusion

The purpose of this paper was to briefly examine bureaucratic corruption in Africa and show that it represents an important constraint to policy reforms in the continent. Evidence from a few African countries shows that corruption is a pervasive part of the political and economic systems of these countries. Bureaucratic and other forms of corruption have allowed certain individuals and groups to amass enormous wealth for themselves at the expense of the mass of their fellow citizens. Presently, many African countries are in the process of implementing reforms that are expected to create more responsive and accountable institutional frameworks in their societies. The evidence cited shows that incumbents and beneficiaries of the existing institutional frameworks do not support the new policy reforms and are currently involved in attempts to prevent implementation of these reforms. In some countries, incumbents have hijacked the transition and are manipulating the process in order to ensure their continued monopolization of the apparatus of government. Many politically-dominant groups, which have benefited significantly from corruption and their perverse economic policies, are in the forefront of the effort to derail policy reforms. These groups see

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opportunities for bribes and the appropriation of public resources will be eliminated. For example, if the economy relies more on the market for the allocation of resources, then bureaucrats will lose most of their control of economic activities and as a result, their ability to extract bribes from entrepreneurs. Once resource allocation is depoliticized, opportunities for civil servants to extract bribes from the private sector will fall significantly.

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Labor-Market Achievements of Second Generation Immigrants to Israel*

Tova Benski
Bar-Ilan University
Haifa University

Tikva Lecker-Darvish
Bar-Ilan University

The paper studies an individual's target function with two labor-market-related goals, one in the economic order – income – and the other in the social sphere – prestige. It represents a preliminary attempt at integrating, in a single analysis, three types of capital, human, social and cultural, that are available to the individual both through personal and parental resources.

The theoretical point of departure assumes the importance of social and cultural integration of immigrants, as well as their human resources, to the individual's achievements in the labor market. The model is tested statistically by examining the achievements of the second generation, sons and daughters, of Iraqi Jews who immigrated to Israel during the years 1950-1951. The findings lend general support to the ideas advanced in the theoretical discussion.

Introduction

Labor market behavior in general, and of the foreign born and their descendants, in particular, is one of the interesting issues examined along two parallel lines by economists and sociologists. Economists focused on individual-level determinants of income achievements, emphasizing human capital (Becker 1975) and experience in the labor market (Mincer 1974). Sociologists focused on status attainments and examined, in addition to the characteristics of the individual, the effects of background factors such as parental education and occupational status (Blau and Duncan 1967); number

*The study was supported by the following organizations: Babylonian Jewry Heritage Center, Iraqi Jews' Educational Development Fund in Israel, Schnitzer Foundation for Research on the Israeli Economy and Society, and the Institute for Economic Research, Bar-Ilan University.

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of siblings (Duncan 1968); cognitive ability and personality variables (Duncan et al. 1972; Jencks et al. 1972); social-psychological variables (Sewell and Hauser 1972; Sewell et al. 1969, 1970), and the effects of social ties on the individual's occupational achievements (Granovetter 1973; De Graaf and Flapp 1988; Lin, Vaughn and Ensel 1981a, b; Marsden and Hurlbert 1988; Preisendorfer and Voss 1988).

The present paper fills in a gap in this field of research by integrating both points of views, in two respects. First, it examines an individual's target function with two labor-market-related goals, one in the economic order – income – and the other in the social sphere – prestige. Second, it integrates in a single analysis, all three types of capital, human, social, and cultural, available to the individual both through personal and parental resources.

This paper examines the achievements of the second generation, sons and daughters, of Iraqi Jews who immigrated to Israel during the years 1950-1951. The model is presented in the second section, the statistical analysis and main findings are presented in the third section, the summary and conclusions are in the final section. The detailed definition of the variables included in the analysis and their measurement is presented in the appendix.

The Theoretical Framework

The present study models the socioeconomic behavior of second generation, sons and daughters of immigrants. The model is built on three necessary conditions that are assumed to characterize the society that these immigrants entered. First, the immigrants arrive at an economy that is dominated by a different ethnic group. Second, the immigrants do not form a minority in the new society. They become integrated into the veteran population by virtue of some characteristics shared with the dominant group. Third, social and economic gaps between the immigrants and the veteran group develop, favoring the latter, and these gaps do not diminish in time. Israel complies with these three conditions, and serves as a case study for the present paper. During the 1950s, Jewish immigrants from Islamic countries (collectively referred to as "Orientals") arrived in Israel and became part of the dominant Israeli Jewish population, which at that time consisted mostly of the veteran Ashkenazi group, the vast majority of them being of Eastern European origin. The Oriental immigrants were different from Ashkenazi Jews in almost every respect, and social and economic gaps between them developed,

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persisted, and even widened in the second generation. At present, Ashkenazi Jews constitute the dominant ethnic group on all socioeconomic dimensions (Benski et al. 1991; Kraus 1982, 1984; Nahon 1984, 1987; Smooha 1978, 1984, 1985). Their culture is considered the "dominant", "mainstream", or "the Israeli" culture, the model that Oriental Jews were expected to emulate, and many of them did (Eisenstadt 1984; Peres 1977, 1985; Smooha 1978, 1984, 1985).

These special conditions present the immigrants with a target function with two complementary labor-market-related goals through which they can try to change their inferior position in society: one in the economic order (income), and the other in the social realm (prestige). The model consists of two categories of independent variables that are assumed to affect income and prestige levels. The first category consists of individual features and the second of background variables. The first category is further divided into three sub-categories: variables that are considered personal; variables that denote social and cultural capital and variables that tap the individual's attitudes on subjects relevant to the individual's goal function. The second category, "background variables", refers to parental achievements, behavior, and attitudes, and is divided into four subcategories describing various aspects of the individual's background: one consists of father's personal variables, the second, of father's economic variables, the third, of parental social and cultural capital variables and the fourth consists of parental attitudes on subjects relevant to the individual's goal function.

As both income level and occupational prestige are labor-market-related, complementary goals it can be assumed that personal and background resources will affect both goals in the same direction, though not in the same magnitude. Therefore, only one set of hypotheses concerning the effects of the independent variables on income and prestige will be presented.

We turn now to the hypotheses of the model, emphasizing those that relate to the new explanatory variables. We also specify possible differences between men and women, where these are relevant.

The Individual-Level Variables Category

A. The Individual's Personal Features

This group of variables consists of education and work experience. These two basic variables, as is well established both theoreti-

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cally and empirically, have a positive effect on the individual's labor market achievements. Although many researchers reveal an inverse U-shaped effect of labor experience on income level (Asher and Popkin 1984: Holzer 1982; Oaxaca and Ransom 1991; Reimers 1983; Treiman and Roos 1983, among others), these findings do not form a sufficient basis to assume a similar effect on occupational prestige scores (OPS). Therefore, we assume a positive effect of experience on OPS. It is further important to note that because of the more interrupted pattern of female participation in the labor force (Zalokar 1988; Treiman and Roos 1983, among others), the measure of the total years of experience does not provide an equally adequate estimate of women's experience, compared to men. The bias, however, is not as great as is often assumed.[1]

B. The Individual's Social and Cultural Capital

The concept of "cultural capital" was defined by Bourdieu (1977) as competence in a society's high-status culture, its behavior, habits and attitudes. It was first introduced in the study of educational attainments and was often considered an important mechanism in reproduction of educational and social hierarchies (Bourdieu 1977; Bourdieu and Passeron 1977; De Graaf 1986; DiMaggio 1982; DiMaggio and Mohr 1985), yet has been, to the best of our knowledge, neglected in studies of income and status attainments. In the case of an immigrant group whose culture was viewed in unfavorable terms, cultural competence in the patterns of the dominant group is viewed as cultural capital. Therefore, in the present study, cultural capital is entered into the analysis through a composite variable measuring the level of individual acculturation.

The concept of "social capital" introduces elements of social structure into the study of attainments. Coined by Coleman (1988), it refers to certain aspects of social structure that individuals can use as resources to achieve certain ends. According to Coleman, one of the main forms of social capital that is of great importance in the process of achievement consists of information channels in the form of social networks. This assumption has been tested by some studies of microlevel mobility processes. The theory argues that status gains reflect the individual's social resources – his social networks and social ties. Since better jobs are reached through ties with persons who have contacts and influence at the higher levels of the occupational ladder (Wegener 1991), it follows that contacts with such

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persons should have a positive effect on the individual's status attainments.

Assimilation theories offer a framework that implies the importance of an additional attribute of social ties to the analysis. Assimilationist theorists hold that contact between a new immigrant group and an established majority will lead, through a series of stages, to the eventual assimilation of the group into the new society in terms of culture (acculturation), and structure (primary-level social relations and intermarriage). This integration opens to members of the minority group new opportunities for economic and social advancement and a better future for their children (Gordon 1964; Sowell 1981).[2] From this point of view, structural integration should be viewed as a resource that can potentially affect status attainment processes of immigrants and their descendants in immigrant-receiving societies. As noted above, one of the necessary conditions for the model is the existence of social and economic gaps between the second generation, sons and daughters of immigrants, and the veteran population. Under these conditions, it can be assumed that the widening of the field of social participation in the dominant veteran group will have a positive effect on personal status attainment.

The strength of social ties is another dimension of social capital that has to be considered. Granovetter (1973) made a basic distinction between "strong" and "weak" ties. Strong ties are represented by one's close friends and relatives. Weak ties are represented by acquaintances and persons with whom the individual has infrequent contacts, linking individuals with various different characteristics. It was assumed that only weak ties link a person to channels of information and influence beyond his own, and that the strength of social ties and the individual's status should be negatively related, i.e., the stronger the tie, the lower the achieved status and vice versa (Lin 1982; Marsden and Hurlbert 1988). This hypothesis has been tested empirically in studies that modelled the impact of social resources on changes in status from one job to the next. The results were inconclusive and at times contradictory (favorable results: De Graaf and Flapp 1988; Granovetter 1974; Lin 1982, 1988; Lin and Dumin 1986; contradictory and unfavorable results: Bridges and Villemez 1986; Marsden and Hurlbert 1988; Murray and Poolman 1982; Preisendorfer and Voss 1988; Wegener 1991).

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Most of these studies modelled the impact of social resources on changes in status from one job to the next. Our study, on the other hand, focused on present status of second generation immigrants. As a result we are not in a position to resolve this controversy. However, in view of the inconclusive results of former studies and in view of the predictions based on assimilation theories we can hypothesize that, in the case of immigrants, any ties that link individuals from less privileged groups to the dominant ethnic category may prove to be an asset rather than a drawback in the process of status attainment.

In light of the above discussion, three variables representing the individual's strong ties were included in the analysis. The first two, intermarriage and friends of Ashkenazi origin, represent the widening of the field of social participation in the dominant group. The third variable consists of friends with high educational level, taking educational level of one's friends as a proxy for status. If the "weak ties" thesis is correct and has general validity, these variables will have either a negative or no effect on the individual's attainments. However, if assimilation theories are valid, then their impact should be positive.

C. Attitudes

According to Swirski (1989), awareness of the disadvantaged position of Oriental Jews in Israeli society was an important factor in the emergence of a new Oriental ethnic group, in response to Ashkenazi dominance and social exclusivity. Indeed, perceptions of social and economic gaps between one's own group and the dominant group were instrumental in inhibiting close social ties between Iraqi and Ashkenazi Jews in Israel (Benski 1993). A priori, it is hard to tell what will be the effect of such perceptions on the individual's achievements in the labor market. It is assumed, however, that such perceptions will affect one's motivation towards success, and this effect can be either in the direction of encouraging and stimulating the individual to greater success or in the direction of demoralization, in the realization that the gaps are so great that no effort on the part of the individual can overcome existing inequalities. Furthermore, based on Benski's findings (1993), we tend to assume that such perceptions will also have an indirect negative effect on labor market achievements through narrowing the field of primary relations in the dominant group.

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The Background Variables Category

A. Father's Personal Features

It is assumed that father's human capital will have a positive effect on the attainments of his children. The father's educational level could have both direct and indirect effects on children's achievements. Since we are concerned with second generation immigrants, the higher the father's educational level, the more efficient his process of adaptation to the labor market will have been, and this will have a direct positive influence on his children's attainments. The indirect effect follows Blau and Duncan's (1967) status attainment model, which assumes that father's education will have a positive effect on his children's educational level, which, in turn, will have a positive effect on their labor market achievements.

B. Father's Socio-Economic Position

This group of variables refers to the father's attainments in the labor market in terms of income and prestige.

It is well known that immigrants are mostly concentrated in occupations that are low on both the income and prestige scales. When their income is higher, they are in a better position to invest in their children's education and afford higher status achievements in the second generation, as was the case with Jewish immigrants in American and British societies. Therefore, we expect the father's income to be positively correlated with income and occupational prestige of his children.

Following Becker (1981), parents with high occupational prestige scores (and, of course, also high income level) may be considered as "lucky parents" (p. 137) and thus, they improve their children's ability to succeed in the labor market by investing more in them. In addition, fathers with prestigious occupations also will tend to have a network of high ranking connections that can be used to assist in their children's attainment process.[3]

C. Background social and cultural capital[4]

This group of variables refers to the family's social and cultural capital. Coleman (1988) claimed that social capital in the family (in the form of the quality of parent-child interaction and number of children in the family), and in the community (in the form of social networks of the parents within the community) are especially

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important because of their role in the creation of human capital in the next generation.

Support for the hypothesized positive effect of social resources in the form of communal ties is found in both the "weak ties" hypothesis and assimilation theories. If we consider parental networks as part of the individual's weak ties, linking him with channels of information and influence beyond his own, these ties may be expected to have a positive effect on the individual's status attainments.

Furthermore, according to assimilation theories, the social and cultural capital of the parents affords greater opportunities for economic and social advancement and a better future for their children (Gordon 1964; Sowell 1981). From this point of view, acculturation and structural integration of the parents are viewed as resources that can potentially have a positive effect on the status attainment processes of the second generation. It is thus assumed that the following variables that denote the family's social and cultural capital will have a positive effect on children's attainments: parent's Ashkenazi friends, parent's friends with high educational level, and parental level of acculturation.

Not all components of the family's social capital affect the children's achievements in the same direction. In line with the family social resources hypothesis (Coleman 1988) and Becker's formulations (1981), a trade-off between quantity and quality of children occurs in the family. Coleman claimed that a high number of siblings represents a "dilution of adult attention to the child" (1988: S111), and therefore, lower social capital. Indeed, he showed that such lower capital was found to be associated with higher rates of school dropouts (1988). Becker, from a different perspective, dealing with interaction between quality and quantity as (not perfect) substitutes, explained why, under certain conditions, education per child tends to be lower in families having more children (Becker 1981). Thus, increase in the number of children in the family of origin is assumed to have a negative effect on the individual's opportunities of success in the labor market.

D. Parental Attitudes

Parental attitudes represent an important aspect of the social-psychological environment in which the individual was raised. This variable is assumed to have an indirect effect, through influencing the individual's own perceptions and motivations to succeed. However,

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the direction of this influence, as suggested in section C in the discussion of the individual's variables, cannot be determined a priori.

The Study Population

Jews from Iraq comprise more than 9 percent of the Jewish population of Israel, and they form the second largest group among the Oriental Jews: 17 percent in 1988 (Schmeltz, DellaPergola and Avner 1990). Most of them arrived in one concentrated period, between the years 1950-1951, when 90 percent (130,000 in all) of all Iraqi Jews left for Israel. Because they arrived prior to the implementation of the government's population dispersion policy, 90 percent of the Iraqi immigrants settled in urban centers of varying sizes (Benski et al. 1991:17). Like many other Oriental communities, most Iraqi Jews had large families and low educational attainments on arrival. By the 1980s, most of them lived in ethnically mixed neighborhoods and were thoroughly acculturated, yet socioeconomic and educational gaps between them and the Ashkenazi Jews persisted and even widened (Benski et al. 1991; Nahon 1984; Schmeltz et al. 1990). This short account makes it clear that Iraqi Jews in Israel comply with the three basic conditions underlying the model proposed in the present paper.

Two data sets are used in this paper. Both consist of survey data collected in 1986-1987. The first data set consists of 593 interviews conducted with a random national sample of Jewish immigrants from Iraq, males and females, who arrived in Israel between 1950 and 1951. The second data set consists of interviews conducted with offspring (sons and daughters) of respondents in the first sample. A child who was 25 years of age or older was randomly chosen from each family in the immigrant-generation sample. Since the study looks into attainment processes of the second generation in the labor market, only second generation respondents who were active in the labor force at the time of the interview were included in the analysis. The final analysis, therefore, was performed for 208 of the second-generation respondents, 100 males and 108 females.

The Social Profile of the Study Population

Table 1 presents the relative distribution of the respondents on all the variables included in the analysis. The data show that the respondents, both men and women, have higher prestige scores than their fathers. However, as far as income is concerned, the sons only

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advanced beyond their fathers' generation while the daughters, in general, had lower income levels than their fathers.

TABLE 1

THE PROFILE OF THE STUDY POPULATION[a]

The Variables	MALES	FEMALES
The Individual's Variables:		
OPS	43.5	46.5
	(25.6)	(19.5)
Income (Israeli Shekels)$_b$	978	589
	(200)	(255)
Years of schooling	11.7	12.1
	(3.1)	(2.8)
Experience	16.8	17.3
	(8.3)	(9.3)
Full-Time employment(%)	91.6	62.5
Have Ashkenazi friends(%)	59.0	68.1
Have high-sch. edu. friends(%)	38.0	54.2
Acculturation level		
Perception of gaps(%)	33.0	16.7
Have an Ashkenazi spouse(%)	15.0	30.6
Background Variables:		
Father's OPS	31.1	32.6
	(20.3)	(21.4)
Father's income	620	624
	(312)	(319)
Father's years of schooling	7.0	8.2
	(4.5)	(4.2)
Parents have Ashkenazi friends(%)	25.0	33.3
Parents have high-sch-edu. friends(%)	9.0	18.1
Parental acculturation level	3.6	3.2
Parental perceptions of gaps(%)	30.0	40.3
Number of children	5.0	4.7
	(2.6)	(2.4)

a. Figures in parentheses are standard deviations.

b. In values of 1986 prices.

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Second generation, male and female respondents who were active in the labor force differ in almost every dimension. The women tended to enter into occupations that are more prestigious but lower in income compared to the men; had higher education, and tended to come from homes with similar and even higher socio-economic and educational background than men's. This is in line with findings presented by former studies in Israel and in other Western societies (Featherman and Hauser 1976; Kraus and Hodge 1990; Rosenfeld 1980; Semyonov and Kraus 1983; Treiman and Roos 1983 among others). Furthermore, a larger proportion of the women, compared with the men, had high social resources and a similarly high social background. However, as far as cultural resources and parental attitudes are concerned, their background seems to be somewhat less favorable than that of the men in terms of acculturation levels and perceptions of gaps, although personally a larger proportion of the women, compared with men, do not perceive such gaps. These differences warrant separate analyses for the attainment process of men and women.

The Statistical Analysis

The model presented here examines personal attainments of two goals among second generation immigrants using quantitative measures: monthly income measuring attainments in the economic sphere and occupational prestige scores (OPS) in the socio-cultural sphere. These two constitute the dependent variables of the model. Two sets of equations, with different dependent variables were estimated: one for income and one for the OPS.[5] The equations were estimated for males and females separately (the definitions and information on the measurement of all the variables are in the appendix).[6] The statistical analysis was performed in three stages; at each stage, a different category of the independent variables was added to the analysis. In the first stage the estimated equations included only the individual's features (equations 1 and 4 in Tables 2 and 3). In the second stage the background variables were added to the individual's features (equations 2 and 5 in Tables 2 and 3), and in the third stage the respondents' social variables were added to the regressions (equations 3 and 6 in Tables 2 and 3).

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TABLE 2

INCOME AND OCCUPATIONAL PRESTIGE SCORES REGRESSIONS (MALES)[a]

Variable	Income			Occupational Prestige Scores		
	(1)	(2)	(3)	(4)	(5)	(6)
Intercept	6.15***	7.0	7.3	2.9***	-3.0	-2.7
	(31.4)	(1.6)	(1.6)	(6.4)	(-0.3)	(-0.3)
Education	0.03***	0.03***	0.03*	0.11***	0.12***	0.12***
	(3.4)	(2.5)	(1.6)	(5.3)	(5.0)	(3.7)
Experience	0.02	0.01	0.01	-0.08***	-0.13***	-0.13***
	(1.3)	(0.6)	(0.6)	(-2.9)	(-3.7)	(-3.8)
(Experience)^2	-0.0002	-0.0002	-0.0002	0.002***	0.003***	0.003***
	(-0.6)	(-0.1)	(-0.1)	(3.2)	(4.1)	(4.0)
Employment	0.16*	0.16	0.23*	0.05	0.06	-0.13
(Full-time =1)	(1.9)	(1.3)	(1.7)	(0.2)	(0.3)	(0.5)
Father's Education	-	0.005	0.004	-	0.05**	-0.05**
		(0.5)	(0.4)	-	(2.1)	(2.2)
Father's Income	-	-0.28	-0.48	-	2.7	2.4
		(0.2)	(-0.3)	-	(1.0)	(0.8)
(Father's Income)^2	-	0.02	-0.09	-	-0.2	-0.19
		(0.2)	(-0.9)	-	(-0.9)	(-0.8)
Father's OPS	-	0.25	0.45	-	-1.15	-0.64
		(0.4)	(0.7)	-	(-0.9)	(-0.5)
(Father's OPS)^2	-	-0.06	0.04	-	0.1	0.01
		(-0.6)	(0.3)	-	(0.5)	(0.1)
Parent's Ashkenazi	-	0.05	0.05	-	0.17	0.14
Friends		(0.9)	(0.9)	-	(1.6)	(1.3)
Parent's Friends with	-	-0.02	-0.03	-	-0.08	-0.09
High Education		(-0.2)	(-0.3)	-	(-0.5)	(-0.5)
Parent's Level of	-	-0.002	-0.007	-	0.06	0.04
Acculturation		(-0.5)	(-0.1)	-	(0.7)	(0.5)
(Parent's Level of	-	-0.001	-0.0006	-	-0.006	-0.004
Acculturation)^2		(-0.3)	(-0.1)	-	(-0.7)	(-0.5)
Number of Children	-	-0.03	-0.03	-	0.03	0.04
		(0.2)	(-1.3)	-	(0.9)	(1.1)
Parent's Perception	-	0.08	-0.04	-	-0.34**	-0.26*
of Gaps		(1.0)	(-1.0)	-	(-2.3)	(-1.7)
Intermarriage	-	-	0.1	-	-	-0.01
(Ashkenazi Spouse = 1)	-	-	(1.0)	-	-	(-0.08)
Ashkenazi Friends	-		-0.04	-	-	-0.11
	-	-	(-1.0)	-	-	(-1.3)
High-educational	-		0.06	-	-	0.15*
Friends	-	-	(1.5)	-	-	(1.8)
Perception of Gaps	-		0.02	-	-	-1.0
	-	-	(0.3)	-	-	(-1.6)
R^2	0.182	0.294	0.352	0.395	0.595	0.647
Adj. R^2	0.140	0.047	0.036	0.365	0.457	0.479
Sample Size	100	100	100	100	100	100

a. Figures in parentheses are t statistics. Dash (-) means variable not entered. *, ** and *** indicate that the coefficient is significant at $\alpha = 0.1$, $\alpha = 0.05$ and $\alpha = 0.01$, respectively.

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TABLE 3

INCOME AND OCCUPATIONAL PRESTIGE SCORES REGRESSIONS (FEMALES)[a]

Variable	Income			Occupational Prestige Scores		
	(1)	(2)	(3)	(4)	(5)	(6)
Intercept	4.8***	-26.4***	-32.9***	2.5***	-15.6**	-23.0***
	(11.4)	(-4.2)	(-6.3)	(6.5)	(-2.3)	(-4.4)
Education	0.06***	0.12***	0.14***	0.10***	0.15***	0.18***
	(2.5)	(5.1)	(6.3)	(4.6)	(6.0)	(8.0)
Experience	0.06***	0.09***	0.1***	-0.005	0.01	0.03
	(2.7)	(4.6)	(6.1)	(-0.3)	(0.6)	(1.5)
(Experience)^2	-0.001**	-0.002***	-0.002***	0.0002	0.0002	-0.0009
	(-2.4)	(-3.8)	(-4.9)	(0.4)	(0.03)	(-0.3)
Employment	0.28**	0.03	-0.05	0.13	-0.07	-0.1
(Full-time =1)	(2.4)	(0.3)	(-0.5)	(1.1)	(-0.6)	(-1.0)
Father's Education	-	0.05**	0.06***	-	0.05***	0.04***
		(3.8)	(4.6)	-	(3.0)	(3.6)
Father's Income	-	10.6***	12.6***	-	6.2***	8.4***
		(5.4)	(7.7)	-	(3.0)	(5.2)
(Father's Income)^2	-	-0.89***	-1.05***	-	-0.5***	-0.69***
		(-5.5)	(-7.8)	-	(-2.9)	(-5.1)
Father's OPS	-	-0.06	0.38	-	-0.5	0.08
		(-0.8)	(0.9)	-	(-0.9)	(0.2)
(Father's OPS)^2	-	-0.15	-0.17*	-	0.001	-0.1*
		(-0.3)	(-2.6)	-	(0.02)	(-1.7)
Parent's Ashkenazi Friends	-	0.06	0.1	-	0.14*	0.23***
		(0.8)	(1.5)	-	(1.8)	(3.5)
Parent's Friends with High Education	-	0.13	0.18**	-	-0.08	-0.02
		(1.4)	(2.4)	-	(-0.8)	(-0.2)
Parent's Level of Acculturation	-	-0.16***	-0.27***	-	-0.17**	-0.3***
		(-2.5)	(-4.7)	-	(-2.5)	(-5.2)
(Parent's Level of Acculturation)^2	-	0.02***	0.03***	-	0.13**	0.03***
		(2.9)	(5.3)	-	(2.0)	(4.7)
Number of Children	-	-0.14	-0.03	-	-0.03	-0.05**
		(-0.6)	(-1.3)	-	(-1.0)	(-2.5)
Parent's Perception of Gaps	-	0.04	0.13	-	-0.08	0.01
		(0.3)	(1.4)	-	(-0.7)	(0.1)
Intermarriage	-	-	0.02	-	-	0.18*
(Ashkenazi Spouse = 1)	-	-	(0.2)	-	-	(1.8)
Ashkenazi Friends	-		-0.23***	-	-	-0.31***
	-	-	(-4.1)	-	-	(-5.7)
High-educational Friends	-		0.15***	-	-	0.15***
	-	-	(3.3)	-	-	(3.3)
Perception of Gaps	-		-0.23**	-	-	-0.04
	-	-	(-2.5)	-	-	(-0.4)
R^2	0.290	0.732	0.843	0.395	0.671	0.828
Adj. R^2	0.245	0.626	0.755	0.357	0.554	0.741
Sample Size	108	108	108	108	108	108

a. *Figures in parentheses are t statistics. Dash (-) means variable not entered.* *, ** and *** indicate that the coefficient is significant at $\alpha = 0.1$, $\alpha = 0.05$ and $\alpha = 0.01$, respectively.

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First stage equations showed, as expected, that educational level had a positive effect on income and prestige of both males and females. The effect of experience on income was obtained only in the equation for the female respondents (equation 1 in Table 3). It had the expected inverse U-shaped form, as is common in income equations.[7] This means that up to a certain level, the effect of experience on income is positive, after which, the effect changes and becomes negative.[8] As far as prestige is concerned, experience had a significant effect only on the attainments of the male respondents and it had a U-shaped form. This means that up to a certain level the effect of labor-market experience on the prestige scores of males is negative but from that level an increase in years in the labor market has a positive effect on status attainments of males.[9]

Background factors that were added to the individual's features (second stage equations) did not change the effects of the individual's features (discussed above), and judged by the changes in the R^2 their effect on the attainments of women is greater than that on the attainments of men. The only variable that had a similar significant effect on both male and female respondents was father's educational level. As expected, this variable had a positive effect on prestige attainments of both male and female respondents (equation 5 in Tables 2 and 3). A similarly positive effect on income level was obtained only for the female respondents (equation 2 in Table 3). Some of the other background variables had significant effects in the equations of the women only. The effects of father's income on both income and prestige of their daughters were found to be of an inverse U-shaped form. That is, up to a certain level the effects of the father's income on both income and prestige of their daughters is positive, and then, it becomes negative.[10] The meaning of this form of effect is that among the daughters, after a certain level of father's income, there is some trade-off between father's income and daughter's income and prestige.

The effects of fathers' occupational prestige on their daughters' income and status attainments were, unexpectedly, negative (equation 2 in Table 3). This finding lends support to the interpretation of a certain substitution between father's and daughter's resources.[11]

Parents' acculturation level had a U-shaped effect on both income and prestige levels of their daughters. This means that fathers' acculturation has to reach a certain level in order to have a positive effect on their daughter's attainments.[12]

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Of the parental social variables that were entered into the equations, only the number of friends of Ashkenazi origin had a significant positive effect and this was obtained only for the prestige levels of their daughters. This effect means that parents' social integration into the Ashkenazi group improves their daughters' opportunities to attain more prestigious occupations. This finding is in line with both assimilation and "weak ties" theories.

Parents' perceptions of gaps had no effect on the income levels of their children. These, however, were found to have a negative effect on their sons' prestige levels. That is, it seems that attitudes of resentment concerning inequalities between Iraqi and Ashkenazi Jews in Israel have some demoralizing effects on the males, and therefore, a negative effect on the sons' OPS.

Generally, the third stage of the analysis, in which the personal social and cultural resources were added to the personal features and background factors, showed no change in the significant effects of the variables from the earlier stages of the analysis. The only change was the significant, negative effect of the number of siblings on the prestige scores of the females (equation 6 in Table 3). This was not significant in the earlier stages of the analysis. As expected, the higher the number of children in the family, the lower the chances of the daughters to reach higher levels of prestige. This finding is in line with the social resources and Becker's theory of trade-off between quality and quantity of children in the family. The finding that it affects only the prestige scores of women and not those of men, or women's income, can be interpreted as follows: in large families, parents tend to prefer to invest their resources in their sons at the expense of their daughters, assuming that since their sons will, in the future, have to support a family, it is more important to invest in their human capital than in that of their daughters. As a result, daughters in large families attain lower educational levels than males and females who originate in smaller size families[13]. Since women tend to have lower white-collar occupations, entered into on the basis of at least some high-school education, and since these occupations, generally, have high prestige but low income (Kraus and Hodge 1990; Rosenfeld 1980; Treiman and Roos 1983, among others), a decrease in the educational level of women who originate in large families affects their prestige scores, but not their income (which is generally low, regardless of occupation). The males, on the other hand, are not affected by family size.

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Of the group of personal social variables, intermarriage, representing a strong tie, had a positive effect on the females' prestige level (but not on their income). This shows that women of Oriental origin improve their chances of status attainments through marital ties, an effect that was not significant among the men.

As expected, in line with Coleman's statements and with assumptions linking superior ties with higher status attainments (Wegener 1991), friends with higher educational attainments had a positive effect on income and prestige levels of both males and females. The lack of effect of having Ashkenazi friends on income and status attainments of the men and its negative effect on the attainments of the women lends only partial support to the "weak ties" hypothesis. The negative effect of perceptions of gaps in income, among women, when added to the similar effect that parental perceptions had on the males' OPS, strengthens the impression concerning the demoralizing effect of these perceptions on labor market achievements.

Summary and Discussion

This paper represents an attempt at integrating sociological and economic analyses of labor market achievements. It draws on propositions derived from theories of social capital, cultural capital, and assimilation theories, in modeling the achievements in the labor market of second generation sons and daughters of immigrants. A model was constructed, building on three conditions that characterize the ethnic structure of the economy, and the status of the immigrant group vis-à-vis the dominant group, in the social and economic structure of the new society. The proposition was advanced that the social and cultural integration of second generation immigrants and of their parents contributes towards higher achievements of the second generation in the labor market. This general proposition was tested using a sample of second generation sons and daughters of Iraqi Jewish immigrants in Israel.

The findings lend partial support to the hypotheses. First, as found by many other studies, education had a positive effect on both income and OPS among both males and females. Second, of the background human resources, as expected, fathers' education had a positive effect on OPS of both men and women. In addition, it also had a positive effect on the income of their daughters but not of their sons. Background socio-economic variables, as found by former

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studies, had significant effects on women's attainments only. However, in contrast to former studies, these effects reveal a possible trade-off between father's and daughter's resources. A trade-off between income and prestige in women's career is not an unknown phenomenon (Rosenfeld 1980), but this is the first time that a trade-off between father's and daughter's resources is suggested by the form of the effects of father's socio-economic variables. If this finding is replicated in further studies, using larger samples of second generation women, it will, no doubt, have implications for theories of attainment processes of women in general and of daughters of immigrants in particular.

Personal and parental social and cultural integration (capital) proved more important in the achievements of women than in those of men. These findings lend partial support for the hypothesis that "weak ties" have positive effects whereas "strong ties", with the exception of intermarriage patterns, have negative effects on attainments. They show that social relations with others are not just "weak" or "strong". Ties may differ over a range of quantities and, as far as immigrant populations are concerned, intermarriage and weak ties within the dominant group are important dimensions that should be considered.

While this paper was not intended to explain male-female differences in the process of attainment, the finding that parental and personal social resources are more important in the process of status attainment of women lends support to approaches that claim that the status attainment process of women is different from that of men, and that the labor market responds differently to resources of males and females. This is also in line with findings reported by Semyonov and Kraus in their study of gender, ethnicity and income inequalities in Israel, indicating that background factors have more predictive power in forecasting achievements in subordinate groups (1983:266). While we cannot advance a full explanation as to why these resources contribute more towards explaining labor market achievements of women than those of men, we can offer a tentative one. It can be suggested that women are more in need of sponsorship than men, in order to compensate for their lower bargaining position in the labor market.[14] This explanation will need to be tested in further studies.

These findings support the general ideas advanced in the present paper. However, bearing in mind that this is the first, preliminary attempt at testing propositions derived from assimilation theories and

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theories of social and cultural capital, we note that the findings also raise some interesting questions. The first relates to the differential effect of social ties, weak and strong, and the effects of cultural resources on men and women and to the role of sponsorship in labor market achievements. The demoralizing effects of attitudes on achievements in the labor market, further accentuating existing disabilities, is another interesting issue that has not been considered in the study of occupational attainments. These are the types of questions that broach interesting issues and whose answers may broaden insight into the various influences on labor market achievements of immigrant populations. This paper is a first step in this direction and we hope that it will stimulate further studies that will deal with these questions and test additional hypotheses of the effects of various other social and cultural resources on labor market achievements of second generation immigrants.

NOTES

1.See for a discussion and analysis, Treiman and Roos (1983).

2. See also a discussion by Portes and Bach (1985).

3. However, studies came up with inconclusive evidence. Thus, Kraus and Semyonov (1983) found that this variable had no effect whereas Rosenfeld (1980) found a positive effect of father's prestige on son's income.

4. Since we considered the availability of background social and cultural resources more important than their origin (whether they are father's or mother's resources), and in order to minimize missing observations, we used mother's resources when information on father's social and cultural variables was not available.

5. Both dependent variables, income and occupational prestige scores, were converted into logarithms. The advantage of this conversion is that the coefficients show the change in the dependent variables in terms of percentage points rather than in terms of absolute numbers.

6. Two unreported equations, one for income and one for the OPS that were estimated with a dummy variable for gender were less significant than the reported equations for males and females separately.

6. This effect was not significant in the men's income equation, probably due to the low dispersion in their income level, compared with women. The ratio of the standard deviation and the average income (in logarithm) which measures the relative dispersion is .035 for males and .08 for females.

8. According to equation 1 in Table 3 the level at which the effect of experience on the income of females turns is about 24 years of experience.

9. According to equation 4 in Table 2 the level at which the direction of the effect of experience on the OPS of the males changes is about 22 years.

10. According to equation 2 in Table 3 the effect of father's income on daughter's income changes at the fourth income percentile of the father's income. The effects on prestige scores turns at the income level of the fifth percentile.

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11. It is possible that the actual effect here is also inverse U-shaped, that is, the substitution between father's prestige and daughter's attainments starts only from a certain point of father's scores. This assumption was tested in various other regressions that are not reported here. In some of these, the effect was inverse U-shaped, but this effect was statistically insignificant, possibly due to the small sample size.
12. From equation 2 in Table 3 the positive contribution of father's level of acculturation on daughter's income is significant only after father's level of acculturation has reached a score of at least 4.8 (on a scale ranging from 1 to 11). Equation 5 in Table 3 shows that a similar effect on daughter's prestige is obtained, starting from a score of 5.6 on father's acculturation level scale.
13. Other analyses that were performed on the data (not reported here) tend to support such an interpretation. It was found that, whereas in both cases average number of years of schooling tended to drop with an increase in the number of siblings in the family of origin, thus lending some support to social resources thesis, the drop was more pronounced among the daughters than among the sons. Thus, when number of siblings was up to three, the mean, for both sons and daughters was about 13 years. When number of siblings exceeded 3, sons' average ranged between 9.7 to 12.25 whereas the daughters' mean ranged between 9.2 and 10.7. This finding is in line with Powell and Steelman's findings (1989), that sibship size affects women's chances of a college education more than that of the men.
14. We are indebted to Dafna Izraeli for this suggested interpretation.

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Appendix

The Dependent Variables: Definition and Measurement

Income: the natural logarithm of the individual's monthly income in Israeli Shekels, in values of 1986 prices.

Occupational prestige scores: the natural logarithm of scores on the occupational prestige scale constructed for Israeli society by Kraus (1981). The scores range from 0 to 100.

The Independent Variables: Definition and Measurement

Education: number of school years completed by the respondent.

Full/part time employment: coded 1 if the respondent is currently full-time employed and 0 for part-time employment.

Experience in the labor force = age minus years of schooling minus 6.

Level of acculturation: this variable is based on responses to five items describing adherence to various group traditions in both the public and private domain, and was extracted through principal component factor analysis. The items included in the analysis referred to upholding group traditions through: attending Iraqi-style synagogues; style of prayer; celebration of festivals; personal ceremonies such as: marriages, engagements, Bar-Mitzvah, and circumcisions; ethnic musical styles, and ethnic cooking. An index using the means of the responses to these items was constructed ranging from 1 for the least acculturated respondents to score 11 for the most acculturated respondents. Alpha reliability for the index was .89. The correlation between factor and index scores was r = .987.

Intermarriage: coded 1 if the respondent's spouse was of Ashkenazi origin, and 0 otherwise.

Ashkenazi friends: the number of the respondent's Ashkenazi close friends.

Friends with high educational level: the number of the respondent's highly educated close friends (with 13+ years of formal schooling).

Perception of gaps: this variable was extracted through principal component factor analysis. It is based on four questionnaire items depicting perceptions of gaps between Iraqi Jews and Ashkenazi Jews in income, educational attainments, occupational status, and political representation –four areas in which large gaps were found to exist between Oriental and Ashkenazi groups in Israel (Peres 1985; Smooha 1976, 1984). An index, using the means of the response to all four items was constructed and then coded 1 for the presence of such perceptions and 0 for their absence.

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The Individual's Background Variables

A. Father's Personal Features
Father's education: the number of school years completed by the respondent's father.
B. Father's Socioeconomic Variables
Father's income level: the natural logarithm of father's monthly income in Israeli Shekels in value of 1986 prices.
Father's occupational prestige: the natural logarithm of father's score on the occupational prestige scale.
C. Parent's Social and Cultural Variables
Parent's Ashkenazi friends: the number of Ashkenazi close friend of the respondent's parent.
Parent's friends with high educational level: the number of the respondent's parent's highly educated close friends (with 13+ years of formal schooling).
Parent's level of acculturation: this variable is based on responses to the same five items described for the second generation and the procedures leading to the index were the same as among the second generation respondents. Alpha reliability for the index was .87, and the correlation between factor and index scores was r = .988.
Number of children in the family of origin: the number of brothers and sisters of the individual.
D. Parent's Attitudes
Parent's perceptions of gaps: this variable was extracted through principal component factor analysis, in the same way as described for the respondents, using the same variables for parents' response. As among the respondents, an index was constructed and then coded 1 for the presence of such perceptions and 0 for their absence.

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The Splintering Federation: Changing Positions of Unions in Russia

Harold D. Nordin
Eastern Illinois University

The enormous changes taking place in the new countries of the former Soviet Bloc and republics of the Soviet Union are well known. Contrary to the existing capitalistic systems of the Western world which have evolved to their present organization structure through a process of change over many decades and even centuries, these new countries are expected to move to capitalist systems in a few years or at least within a decade. The people are now being asked to change their ways of viewing life. Instead of a system based on security, they have been suddenly asked to adapt to an alternative system which may permit greater freedom but involves also insecurity, something they have not been accustomed to manage.

Each capitalist system of the Western world is a shrouded image of the others but with basic characteristics that unite them through the experiences gained from conflict, enlightenment, controversy, progress, failure, development, and hardship. There were rewards and pain. The rewards often went only to a few while the pain was experienced by the many. The systems were not (still are not) fair. This is also true for the countries which are evolving into new political economic systems. Change is occurring, but benefits and costs are not being shared equally, and crime is rampant.

One institution that is having difficulty dealing with the changes that are transpiring is the official unions (Communist Party and Government-recognized unions) which represented workers at most enterprise levels. Their privilege positions of power has been eroded as new unions have been formed, as income sources have diminished, as privatization has been introduced, and as illegal activities have flourished. Diminishing union influence has been caused by external factors that the unions have not been able to effectively deal with and internal forces that have affected the trust formerly felt by the membership.

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As at June, 1993, the Federation of Independent Trade Unions of Russia was still the dominant union covering 85 percent of all employed workers. Of the estimated 75 million people in the labor force, 64 million were linked to the Federation, covering 40 industrial branches.

Besides the Federation, there were 25 registered trade unions, plus another 25 unregistered unions. Only five percent of union workers belong to newly formed (since 1989) organizations representing workers in strategically located industries, disenfranchised communists, specialized and localized workers with utopian leanings, and employee-employer groups which should be referred to as business associations. Of the five to seven million privately employed workers, two to three million belong to the last category.

There are also groups of people that have formed organizations which call themselves "unions;" though they are work-related organizations, the members are not classified as workers because they are not employed. Examples of the diversity of groups called trade unions are the following: Pensioners Trade Union Workers, Unemployed Trade Union Workers, Trade Union Persons Waiting for Apartments, and Prostitute Union Workers.

The major reason new unions were created is that rank and file workers believed the old organization did not represent the workers;[1] the leadership only pretended to serve the workers but really sat on the side of government. This was demonstrated during the coal-miners strike in 1989 when the (past) union leadership and government representatives together negotiated with the committee of the striking mine workers. The striking miners were tired of poor working conditions, safety hazards, poor equipment, low pay and broken promises. The coal-miners strike was national in scope (though most work stoppages in the past were suppressed and illegal since 1929),[2] whereas the few that did occur previously were local, isolated, and not publicized. (No statistical evidence was kept as to

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[1]The Federation believes that the new unions are traitors to the cause of union solidarity; this weakens unions' strength and their ability to improve the position of workers.

[2]Sherman, Howard J. *The Soviet Economy* (Boston: Little, Brown and Co., 1969), p. 164.

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number, duration and impact.)[3]

Traditionally (from the 1930's), unions have been in charge of housing, retail stores, educational centers and training, vacation sites, enterprise media (newspaper, books, pamphlets), safety, grievances, and sports activities and facilities. Besides all the blue-collar workers, white-collar workers from the lowest paid clerk to the enterprise managers or directors are union members. All government bureaucrats and even Ministers and the President belong, as well.

The Federation gets its financial power through a checkoff system, though most workers are unaware of their contributions. One percent of the wages earned by the 64 million members who belong to the Federation is withheld as dues. Dues are taken out of a person's income before the cash wages are received; thus there is no record of the dues payment. Further, to control membership in the union, application forms to join the union (a requirement for enterprise employment) are often difficult to acquire (thus unsavory types or troublemakers can be excluded from the union and enterprise). Not only are many workers unaware they are paying dues, but they may not even be aware they belong to a union, and they certainly do not know how their wages are determined.

Besides the financial power held by way of the checkoff system, the Federation controls the Social Security System. President Yeltsin tried recently to have funds transferred to the government, but the attempt failed. By controlling the System, the union has enormous power over its membership, as it is only union members who receive sick benefits during an illness or retirement benefits because of age or disability. Discounting the government, the Federation is the wealthiest organization in Russia and the largest property owner. As an aside, many union leaders have also become quite wealthy, unbeknownst to their members or the general public.

However, the Federation is experiencing financial problems as new worker groups have organized and become aware of the checkoff system. As people have withdrawn from the Federation, receipt of dues has diminished. Also, the new unions have instituted their own checkoff system with the result that dues are no longer being withheld on behalf of the old union and their funds have declined. The Federation has become so financially strapped that workers are

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[3]Turgeon, Lynn. *The Contrasting Economies*, 2nd ed. (Boston: Allyn & Bacon, Inc., 1969), p. 210.

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required to pay for their own vacations. Furthermore, the industrial-branch unions are having to sell off property to subsidize the wages of workers who are producing products at costs above price. Unions, by subsidizing wages, are able to keep workers employed even if they are producing goods that go unsold.

The privatization of public enterprises has resulted in mismanagement of the conversion process. In one particular instance, the workers were to receive 51 percent of the shares of stock in a Moscow factory that formerly produced farm tractors but which now produces three types of mowing equipment, but the workers ended up owning only about 10 to 11 percent of the enterprise. The State is to retain 49 percent value of the firm. In January 1992, it was decided that 66,000 shares of stock was to be offered at 1,700 rubles per share to about 1,950 enterprise workers. Each worker would therefore be able to buy about 34 shares each, with a total outlay of 57,800 rubles per worker. Of the 1,950 eligible workers, only about 1,090 bought shares, and then only an average of 12-13 shares, which cost from 20,400 to 22,100 rubles. The remaining shares that went unclaimed could be bought by any worker or workers within the plant who cared to do so. One did; he bought up most of the remaining 51,800 to 52,900 shares for between 88,111,000 to 89,964,000 rubles. It is believed that a private bank with ties to the Russian Mafia was behind the purchase.[4]

For a Russian worker to buy 34 shares of stock with a total outlay of 57,800 rubles would be very expensive and difficult, since the average monthly income for all workers is about 20,000 rubles, and in this particular plant 12-16,000 rubles. The 34-share stock purchase represents about five months' salary plus a substantial risk since the plant is downsizing, producing obsolete products, and not cost-effective. Added to this is the fact that most workers are not experienced in private-enterprise matters and are having difficulty understanding the entire process.

By some unknown method, the enterprise was valued at 220 million rubles. Fifty-one percent of the value was to be sold to the workers (112,200,000 rubles), and the State would retain 49 percent

[4]This information came from a high-ranking member of the Moscow enterprise though verification in a published form is virtually impossible at the present time. Both physical and financial threats have been made against the above member to block disclosure.

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with a value or 107,800,000 rubles. The 112,200,00 rubles were divided into 66,00 shares with a price of 1,700 rubles per share. What does it all mean? If only domestic factors and rubles were the deciding influences, the process of privatizing the enterprise may have been fair, but international factors have come into play. Domestic prices have increased at an inflation rate or 1000 percent over the past year, but what is equally disconcerting is the falling value of the ruble compared to other international monies, especially the dollar. In 1986, the dollar and the ruble were about of equal value, but since the value of the ruble fell by June 1993, one dollar could buy 1200 rubles. Thus for those people in Russia with substantial dollar holdings, the purchase price for 52,000 shares of stock at 1,700 rubles per share with a total expenditure of about 88,400,000 rubles is a bargain, for this price in dollar terms comes to about $75,000 – a very low price to pay for 40 percent ownership of an entire enterprise. The inventory and raw materials would be worth many times the dollar purchase price if sold to international markets. Someone is going to make an enormous profit even if the plant shuts down. What has the union done to protect the worker from being cheated? Nothing. In fact, the union leadership was probably involved with the takeover.[5]

Because the old unions are not representing their workers, new unions have evolved. They are most effective where they have strategic economic and/or industrial power. The Coal Miners Union (100,000+ members), Pilots Union (15,000+ members), Air Traffic Controllers Union (8,000+ members) and Locomotive Engineers Union (2,000+ members) have either economic or industrial power, or both. When the coal miners went out on strike in 1989, it was a spontaneous action, not sanctioned or supported by the leadership, that threatened the well-being of the entire economy and many industries dependent on coal. The government promised to meet almost all the demands set forth by the miners. Further threats and actual strikes have raised the average income to about 200,000 rubles per month for miners. These unions mentioned above are politically active and have an affiliation with parties to the left of center. Even

[5]This author attended a factory interview June 20, 1993, where a factory executive explained the privatization process. The union leaders and the new 40% owner spent a vacation together at company-union expense in Hawaii, USA, a very expensive trip by Russian standards.

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the AFL-CIO is seriously considering recognizing their existence, which could result in international funding. Where possible, these unions have instituted a checkoff formula to raise money to further their cause. Another group that has splintered from the Federation is the Communist union. It has about 100 locals and represents 12 to 15,000 members. Its members are mostly disenfranchised Communist-party workers, workers who lost their jobs in the declining defense industry, former military personnel and others who have experienced decline of high salaries, elimination of fringe benefits and lost prestige. They would like to return the economic-political-social system to the old days during the 1960's and 1970's, when work was guaranteed and wages were high. Some of the locals are affiliated with the extreme left that would like to see the USSR reassembled and even expanded. Most members are elderly, but some young extremists have joined.

Finally, there are unions whose memberships are few in number (30 to 40 per union) and who have taken extreme positions in forming a new economic order. They would like to see enterprises owned and controlled by workers, and they believe unions should play a significant role in the operation of government. In contrast to these unions are the employee-employer groups who want limited government involvement, and expansion of the private sector and reliance on the profit motive.

In the future, unions will find they have a diminished role to play. The government will try to reduce their power by taking certain privileges away from them. If their control over the health and retirement funds is ultimately taken over by the government, the Federation's control over its membership will diminish. The greatest threat comes from losing the process of collecting dues through the checkoff system. If this occurs, union income will fall and funding for all the projects that the Federation is responsible for will decline. If the Federation can no longer provide for its membership, there will no longer be a need for workers to belong; they may join other unions or not belong to one. If other unions grow in numbers and strength, conflict between unions may result. Whatever kind of economic-political-social system evolves from the present state of affairs, it seems inevitable the role of the old union will be diminished; but also inevitably new power groups will emerge to fill the void.

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Using the Private Sector to Deter Crime

Morgan O. Reynolds
Texas A & M University and
National Center for Policy Analysis, Washington, DC

The Failure of the Criminal Justice System

The U.S. criminal justice system costs billions of dollars to operate each year, and the cost is growing rapidly as police, courts and prisons are added. As Table I shows:

- In 1965, the justice system cost taxpayers $4.6 billion, or about six-tenths of 1 percent of gross domestic product (GDP).
- By 1993 the cost had grown to about $100 billion, or 1.57 percent of GDP.
- The number of justice system employees grew from 600,000 in 1965 to nearly 2 million in 1993.[1]

Despite these increases in spending and personnel, the number of serious crimes reported to the police is near an all-time high [see Figure I] and the number of violent crimes reported to the police is *at* an all-time high [see Figure II].[2] The more resources government applies to the war on crime, the less effective they seem to be. In light of this government failure, is it possible that the private sector could be more successful?

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[1] Author's estimate based on straight-line projection. As this is written, President Clinton and Congress are preparing to authorize much more spending on anticrime measures.

[2] The nation's other major crime measure – the National Crime Victimization Survey – is based on a representative sample of approximately 49,000 households. It shows a steady decline in both violent and property crime since it began in 1973. While no one has satisfactorily explained the differences between the victimization survey and the FBI Uniform Crime Reports, the two crime measures differ in many respects, including the crimes covered, the reporting populations and so on. Part of the difference, however, is attributable to improved reporting procedures by the police forces across the nation and a gradual increase in the percentage of all crime reported to the police by victims. See Federal Bureau of Investigation, *Crime in the United States, 1992,* pp. 386-87; U.S. Bureau of Justice Statistics, *Criminal Victimization 1991,* October 1992, p. 4; and U.S. Bureau of Justice Statistics, *Crime and the Nation's Households, 1992,* August 1993, p. 2.

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TABLE I

Spending on the Criminal Justice System[1]

Year	Total Expenditures (millions $)	Spending as a Percent of GDP	Number of People Employed (thousands)
1965	$ 4,573	.65	600
1970	8,571	.84	775
1975	14,954	.94	1,011
1979	26,028	1.05	1,178
1985	45,607	1.13	1,369
1988	60,980	1.24	1,601
1990	74,000	1.34	1,722
1993[2]	100,000	1.57	2,000

[1] Public sector expenditures, all levels of government. Includes some civil court expenditures which are not separated from the total.

[2] Preliminary estimates.

Source: U.S. Bureau of Justice Statistics, *Sourcebook of Criminal Justice Statistics*, annual.

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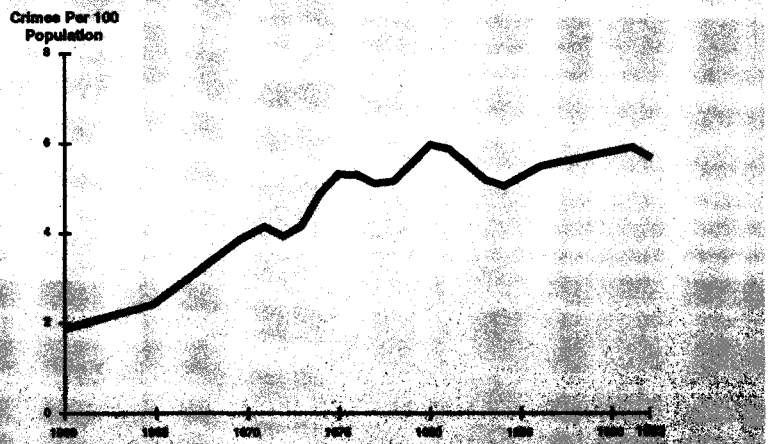
FIGURE I

Number of Serious Crimes Reported to the Police[1]

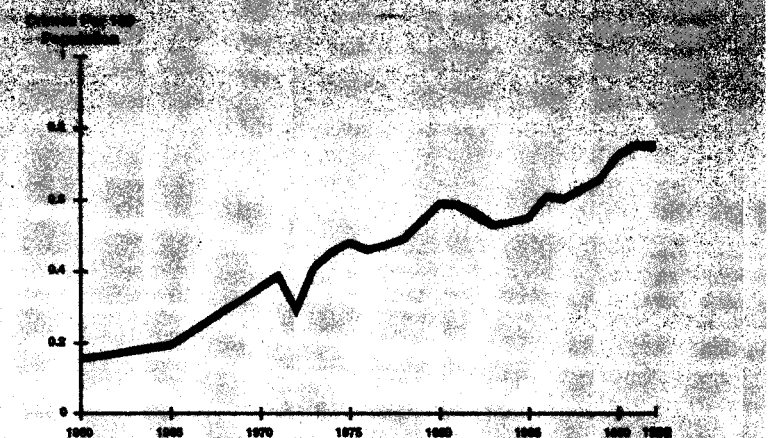


[1] Crimes classified as serious crimes are murder, rape, robbery, aggravated assault, burglary, arson, motor vehicle theft and larceny/theft.

Source: Federal Bureau of Investigation, *Crime in the United States*, annual.

FIGURE II

Number of Violent Crimes Reported to the Police[1]



[1] Crimes classified as violent crimes are murder, rape, robbery and aggravated assault.

Source: Federal Bureau of Investigation, *Crime in the United States*, annual.

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Historical Origins of Government's Monopoly on Criminal Justice

Today's heavy reliance on government to control crime is a relatively recent phenomenon. Not too long ago, most protection of life and property in the United States and Europe was personal and private. There were no public prosecutors, and the police were public in name only, deriving most of their income from bounties and shares of revenues from fines.

Anglo-Saxon Law.[3] The American legal system derives from English law, which in turn derives from Anglo-Saxon law and the laws of Norman monarchs. In Anglo-Saxon society, individuals lived in small kindred or tribal groups and they relied on the group for protection against crime and for pursuit of an offender after an offense was committed.[4] Kindred also were jointly responsible for bringing a member to answer a charge and for payment of fines. The Anglo-Saxons gradually moved from blood feuds to a system of 'wergilds' or prices to be paid to the relatives of people who were killed. This peaceful remedy appeased the victim or victim's survivors, deterred offenses and avoided the terrible costs of blood feuds or warfare.[5]

The wergilds, based on social rank, appear to have been fairly uniform throughout England, suggesting a degree of efficiency in the market for justice. Society was made up of nobles, churls (free men

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[3] The Anglo-Saxon legal system is described in Sir Frederick Pollock and Frederick W. Maitland, *The History of English Law*, vol. 1 (New York: Cambridge University Press, 1968 [1895]), 2d ed., pp. 25-63; Sir William Holdsworth, *A History of English Law*, vol. II (London: Methuen, 1966 [1936]), 4th ed., chapter 2; Bruce Lyon, *A Constitutional and Legal History of Medieval England* (New York: W. W. Norton, 1980), 2d ed., p. 83; and Frederick Seebohm, *Tribal Custom in Anglo-Saxon Law* (South Hackensack, N.J.: Rothman Reprints, 1972 [1911]).

[4] According to Alfred R. Lindesmith, in primitive societies which do not have central governments capable of exercising coercive control over the subgroups that constitute their society, it would not be logical to speak of either crime or formal punishment. The standard example of this type of society is the Ifugao of Luzon as described by Hoebel. In Ifugao society the kinship groups are sovereign, and most offenses are handled essentially as torts or private wrongs to be settled by restitution, for example, by payments made to the offended party by the offender or his kinship group. See Lindesmith, "Punishment," David L. Sills, ed., *International Encyclopedia of the Social Sciences,* vol. 9 (New York: Macmillan, 1968), pp. 217-222; and E. Adamson Hoebel, *The Law of Primitive Man: A Study in Comparative Legal Dynamics* (Cambridge: Harvard University Press, 1954), pp. 219-20.

[5] In this period England had not arrived at the distinction between the law of crime and the law of tort. Economic restitution was the major form of punishment for most crimes. A lord or the king sometimes collected additional fines as a form of punitive damages. See Holdsworth, *A History of English Law,* p. 43.

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below the rank of noble) and slaves. Nobles' lives were valued at 300 gold pieces (the equivalent of about 150 head of cattle). Churls' lives were valued at 200 gold pieces in most areas. Slaves were not considered to have a wergild, but a price had to be paid to the slave's master if the slave was killed. Until the late 9th century, there was another class of free man, ranking below the churl, with a wergild about half that of a noble.

Violence was rarely necessary to force compliance with monetary sanctions. If the accused person was unable to pay, he was placed in slavery. If he failed to appear to answer a charge or refused to pay, he was an outlaw and the accuser had the legal right under the Anglo-Saxon common law to take his life. This worked because a social consensus prevailed on the law and the fines.[6] The criminal's kindred also had a "duty imposed by custom to make amends for the offenses of its members," another avenue of compensation for victims of crime.[7]

Moving From the Law of Tort to the Law of Crime

Before the 10th century, intervention by the powerful in ordinary legal disputes was rare.[8] However, if a powerful offender successfully resisted tribal justice, a victim could call upon an elder and ultimately an earl or king for enforcement. When this happened, and he was found guilty or liable, it cost the offender considerably more money because he had to pay the victim restitution and to pay the powerful individual who enforced the settlement. Kings, whose primary function was conducting warfare, began to see the justice process as a cash cow and gradually expanded their role. Violations of certain customary laws began to be referred to as violations of the "king's peace." Initially, the king's peace meant the peace of the king's house. But as royal power grew through warfare, the king declared that his peace extended to places where he traveled, then to churches, highways and bridges. Eventually, royal officers such as sheriffs could

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[6] As Bruce Benson puts it, "In effect, everyone who wanted to participate in and benefit from the social order was bonded," because his kindred had to guarantee his behavior. Revocation of the bond took the form of exile or slavery. See Bruce Benson, *The Enterprise of Law: Justice without the State* (San Francisco: Pacific Research Institute for Public Policy, 1990), p. 23.

[7] Ibid., pp. 21-30.

[8] On occasion, however, a plaintiff who failed to get his cause heard in the jurisdiction of his own "hundred" (tribe) would ask a nobleman or king to intervene.

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and did proclaim almost any incident anywhere to be a disturbance of the king's peace.

By the 10th century, as the power of the king evolved, many offenses that were previously regarded as intentional torts (suable, noncontractual wrongs) became instead crimes against the king's peace or against the people of England. Whereas the spoils of tort law belonged to the victims, the spoils of criminal law went to the king. For the most part, a new system of justice began to replace the payment of wergilds. Criminals were declared to be outlaws, their property could be confiscated, and corporal and capital punishment were instituted.

Defendants appeared before a court made up of local residents and presided over by an appointee of the king. This court depended on two procedures: the oath and the ordeal. Usually the court of residents, who made the decision of guilt or innocence rather than the presiding official, would allow a defendant to produce an oath of his innocence with the help of witnesses, or "oath helpers," who would also testify to his innocence. In the rare case in which the defendant failed to produce enough friendly witnesses, the court turned him over to the church to conduct a trial by ordeal – the outcome of the ordeal being considered the judgment of God. The defendant might be required to hold a piece of red-hot iron in his hand for nine steps or plunge his hand into boiling water; how well the burns healed were considered an indication of innocence or guilt. Or he might be bound and thrown into cold water; if he sank, it was an indication of guilt.[9]

The Norman Influence. The Norman kings who conquered England in 1066 carried the evolution from private to public criminal justice still further.

Their system of fines, confiscations and corporal and capital punishments was administered by royal law enforcement and judicial apparatus. In 1116, during the reign of King Henry I, known as "the law giver," the *leges Henrici* (or laws of Henry) were issued. They decreed that "there shall be certain offenses against the King's peace:

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[9] When accused clerics were tried by ordeal, they were given a dry morsel of consecrated bread. If they could swallow it, they were considered not guilty, but if it stuck in their throat, they were considered guilty. For a brief description of the Anglo-Saxon legal customs, see *Encyclopedia Americana,* vol. 1 (Danbury, CT: Grolier, 1991), p. 844.

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arson, robbery, murder, false coinage, and crimes of violence. These we deem to be felonious."[10] A power-hungry Henry II (1154-1189) was especially innovative in replacing private, decentralized civil law with public, centralized, politicized criminal law.

As the list of actions violating the king's peace grew, so did the contrast between criminal and civil causes, with criminal law referring to offenses that generated revenue for the king and the sheriff rather than restitution for the victims. Wherever possible, victims attempted to have an offense considered civil, since that was the only way they could achieve compensation. In response, the king issued more decrees in order to secure his monopoly over the prosecution of criminal law and to generate more revenue. The king used the following methods to replace the private law of crime with state rule and to induce or compel cooperation:[11]

- A victim was declared a criminal if he obtained restitution from the criminal privately before he brought the case before a king's justice.
- Victims could not pursue civil remedies until criminal prosecution was completed.
- The rightful owner of stolen property could not get his goods back until after he had given evidence in a criminal prosecution.
- Advertisers or printers who posted rewards for the return of stolen property, no questions asked, were fined.

The State's Monopoly. As influential interest groups sought to relieve themselves of the heavy expense of personal security by having taxes subsidize protection from crime, and as the ambitions of kings rose, the state gradually gained a monopoly on pursuit, prosecution and punishment of criminals. Yet this displacement of private criminal law by the state depends on certain legal fictions to this day. For example, reflecting the Anglo-Saxons' ancient reliance on private prosecution of crimes, "English common law maintains that police officers are not distinct from the general body of citizens ... therefore, [even today] when a police officer initiates a criminal proceeding he

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[10] Richard S. Post and Arthur A. Kingsbury, *Security Administration: An Introduction to the Protective Services,* 4th ed. (Boston: Butterworth-Heineman, 1991), p. 34.

[11] Benson, *The Enterprise of Law: Justice without the State*, pp. 62-63.

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is legally acting not by virtue of his office but as a private citizen interested in the maintenance of law and order."[12]

Criminal Justice Comes to America. By the time the American colonies were formed, England had begun using a system of constables, appointed by noblemen, to police rural parishes. The sheriff, who was also the king's tax collector, had charge of policing the English counties. The colonies adopted the same system, supplemented in some cities by night watches conducted either by soldiers or by citizens appointed by the town government. However, crime was not considered a major problem during the colonial period nor in the early days of the United States. In areas where it became a problem, it generally was handled informally. For example, during the 18th century the executions by private law enforcers led by Colonel William Lynch gave the practice of "lynching" its name.

It was not until the 1830s, when criminal gangs first appeared in cities, that cities began to form police departments. The police were intended to keep order against mob rule, not to deal with ordinary crime such as theft or murder. From these beginnings, local police forces under government control developed. Initially, cities themselves formed police departments, but corruption in city governments led states to take control of the police in most cities. It was only after the Civil War that local police forces reappeared and that the practice of having government-controlled police spread to smaller jurisdictions. During the 19th and 20th centuries, the state increasingly took control of criminal justice.

Justice in the Old West. For the most part, private crime control prevailed in the western United States through most of the 19th century, probably because the West was still the frontier and the population was scattered. Contrary to popular belief and despite the impression left by novels and movies, there was not a great deal of "ordinary" crime in the Old West.[13] Most of the violence was related to clashes with Indians, bandits or foreign nations. There

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[12] Juan Cardenas, "The Crime Victim in the Prosecutional Process," *Harvard Journal of Law & Public Policy,* vol. 9, Spring 1986, p. 365.

[13] For example, from 1870 to 1885, the five Kansas railheads of Abilene, Caldwell, Dodge City, Ellsworth and Wichita had a total of 45 homicides, an average of three per year. See Robert R. Dykstra, *The Cattle Towns* (New York: Knopf, 1968), p. 44.

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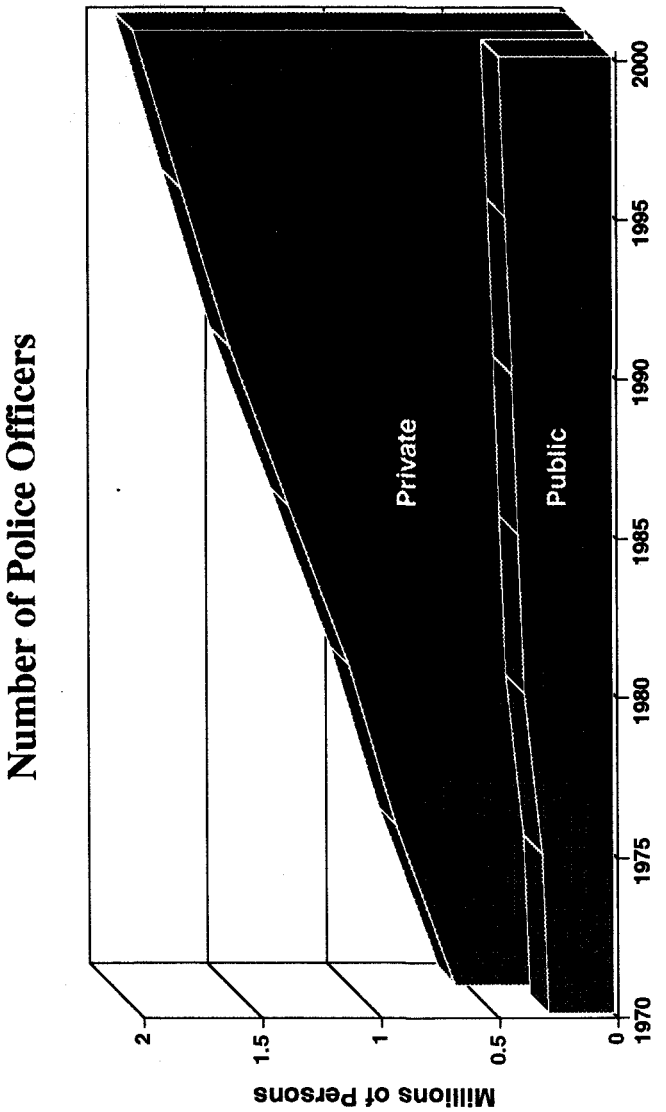
FIGURE III



Source: *Private Security Trends, 1970 to 2000: The Hallcrest Report II* (Boston: Butterworth-Heineman, 1990).

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were law enforcement officers in the Old West, mostly town marshals, but with a few legendary exceptions they were rather ineffective. "The citizens themselves, armed with various types of firearms and willing to kill to protect their persons or property, were evidently the most important deterrent to larcenous crime."[14]

When there was crime, much of the law enforcement in this era was carried out on an as-needed basis by interested citizens. For example, cattlemen's associations often took action to stop rustling. Posses were formed to chase down perpetrators of crimes. And some communities had vigilance committees – the vigilantes – who acted both to prevent crime and to apprehend criminals. Again, contrary to popular belief, most vigilance committees were not mobs acting in the heat of passion but were made up of prominent citizens whose primary concern was preserving community law and order.

The Old West did have such public law officers as U.S. marshals and Texas Rangers, but they were few in number and even these officers were paid only small salaries, with bounties and rewards often making up an important part of their compensation. As the population grew in the West, more and more of the responsibility for criminal justice was taken over by government-controlled police and other law officers. By the early years of the 20th century, public law enforcement officers predominated, although private law enforcement did not entirely disappear.

A Legacy of Government's Monopoly: The Lack of a Right to Protection

Although government has taken control of the public criminal justice system, courts have ruled that it nevertheless does not have a specific duty to protect individuals.[15] For example, New York State's highest court ruled in 1968 that a victim who was attacked after seeking police protection to no avail had no right to protection. The court refused to create such a right, saying it would impose a crushing economic burden on the government.

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[14] Roger D. McGrath, *Gunfighters, Highwaymen and Vigilantes* (Berkeley: University of California Press, 1984), p. 247.

[15] For further discussion of this point, see "The War on Gun Ownership Still Goes On! Dial 911 and Die!" *Guns & Ammo,* July 1992, p. 23, p. 87; and Morgan O. Reynolds and W. W. Caruth III, "Myths about Gun Control," NCPA Policy Report No. 176, December 1992, National Center for Policy Analysis, Dallas, TX, pp. 25-27.

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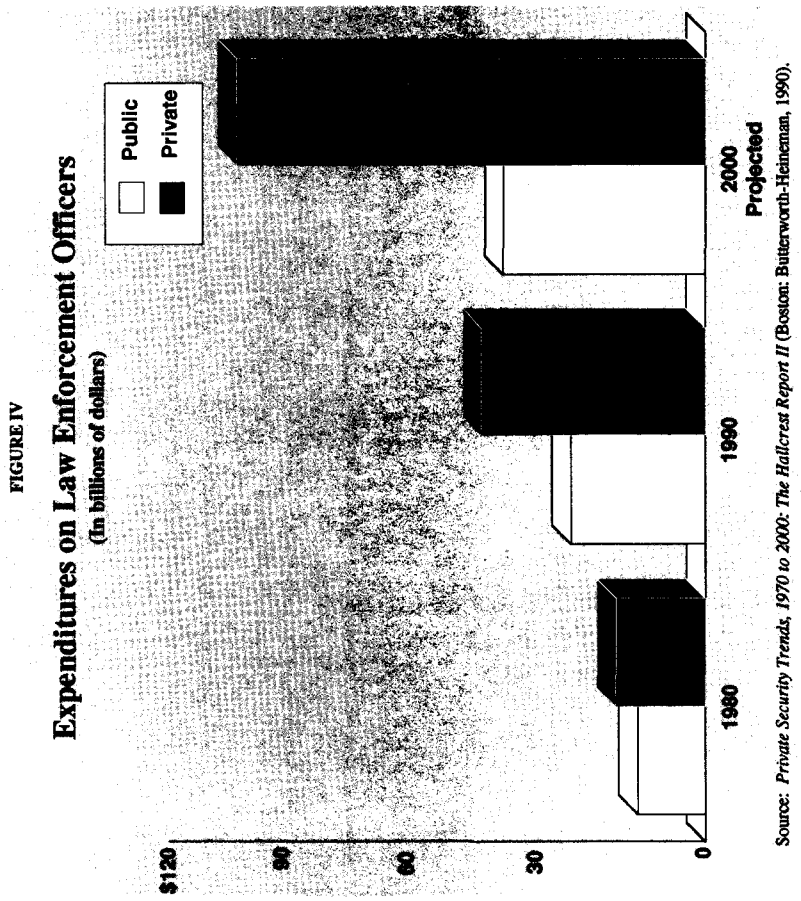
FIGURE IV



Source: *Private Security Trends, 1970 to 2000: The Hallcrest Report II* (Boston: Butterworth-Heinemann, 1990).

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For the most part, federal courts have agreed. The Supreme Court held in an 1856 case that local law enforcement officers had a general duty to enforce laws, not to protect a particular person.[16] In 1982, a federal court of appeals said:

> [T]here is no constitutional right to be protected by the state against being murdered by criminals or madmen. It is monstrous if the state fails to protect its residents against such predators, but it does not violate the due process clause of the Fourteen Amendment or, we suppose, any other provision of the Constitution. The Constitution is a charter of negative liberties: it tells the state to let people alone, it does not require the federal government or the state to provide services, even so elementary a service as maintaining law and order.[17]

These rulings are probably consistent with the original intent of the founding fathers. Some legal scholars argue that the framers of the U.S. Constitution assumed that law-abiding people would largely be responsible for their own safety.[18] They note that under English common law the Sheriff's main jobs were collecting taxes and enforcing government decisions. Keeping public order was a secondary duty.

Private-Sector Law Enforcement

Private security guards offer daily evidence of private-sector involvement in law enforcement, but they are only one element of a larger picture. Efforts to establish private policing in municipalities have faced obstacles, but many police functions that do not involve crimes or emergencies are being contracted out. Railroads have long employed private police forces. Industries more concerned with recovery of property than with arrests – which tend to be the focus of attention of the public police – use private investigators. And private crime prevention devices such as central alarm systems are big sellers.

Growth of the Private Sector. Despite the prominence of government in law enforcement, private law enforcement plays an important role, one that appears to be growing:

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[16] *South* v. *Maryland,* 1856.

[17] *Bowers* v. *DeVito,* U.S. Court of Appeals, Seventh Circuit, 686F.2d 616 [1982].

[18] *New American,* April 20, 1992, p. 16.

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- Private security guards, 1.5 million in 1990, outnumber public law enforcement officers by nearly three to one.[19] [See Figure III.]
- Businesses, communities and individuals spent $52 billion on private security in 1990, almost twice the amount collected in taxes for police expenses.[20] [See Figure IV.]
- About 10 percent of U.S. homes are connected to central alarm systems, up from only 1 percent in the late 1970s.[21]

Contracting for Other Police Services. The real trend in the future is likely to be contracting out the functions of public police that do not involve crimes or emergencies. Generally speaking, police now spend less than 20 percent of their time on crime-related matters.[22]

Perhaps the most extensive contracting-out plan by a big city police department was Kansas City's 1989 proposal, never implemented, to have private security firms take over 22 police tasks, including assisting stranded motorists, recovering property not involved in crimes, taking walk-in reports, guarding crime scenes and the like.[23] The department projected that contracting out these tasks could reduce its costs by 37 percent. The proposal stalled when Police Chief Larry Joiner left and political and bureaucratic opposition arose. But while the police department may not be contracting with private security firms, some 4,000 security guards are licensed to work in Kansas City, 1,400 of them armed, compared with 1,100 police officers.[24]

Case Study: Railroad Police. Railroads have long employed private

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[19] William C. Cunningham, John J. Strauchs and Clifford W. Van Meter, *Private Security Trends, 1970 to 2000: The Hallcrest Report II* (Boston: Butterworth-Heineman, 1990), p. 176 (hereafter referred as *Hallcrest Report II*); see also *Wall Street Journal,* June 1, 1993, p. B1.

[20] *Hallcrest Report II,* p. 175.

[21] Robert McCrie, publisher of the semimonthly *Security Letter,* quoted in the *Wall Street Journal,* June 22, 1993, p. A17. Another report claims 25 percent of residences have alarm systems.

[22] George L. Kelling, "What Works – Research and the Police," *Crime File Study Guide* (Washington, DC: U.S. Department of Justice, National Institute of Justice, 1988).

[23] Cunningham, Strauchs and Van Meter, *Private Security Trends*, p. 280.

[24] *Kansas City Star*, October 22, 1990, p. D3. Vince McInerny, a spokesman for the police department, said in a telephone interview in November 1993 that the only contracting out ever done was for some school crossing guards.

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police forces. Between the end of World War I and 1929, railroad police averaged 60,000 arrests per year with a 97 percent conviction rate, a record unmatched by public police.[25] In 1992 major U.S. railroads employed 2,565 police, who were fully commissioned law enforcement officers but privately employed. The arrest clearance rate (percentage of reported crimes "cleared" by an arrest) is a time-honored index of police efficiency. The railroad police statistics show superiority in this category, with an overall clearance rate of 30.9 versus 21.4 percent for public police.[26] The 30 percent clearance rate is better than the overall public police record, even in the low-crime era of the 1950s. The railroad police also do better than the public police in the percentage of stolen property value recovered, although railroad police officers average four fewer arrests per year than do public police.

Using Private Investigators. One of the reasons railroads employ private police is that public police tend to be less interested in recovery of property than in arrests and convictions. In 1992 railroad police recovered 42.7 percent of the total value of stolen property, compared to 35.6 percent for public police. This is not surprising because the police are rewarded for arrests and convictions, not for recovery. Other industries have also long recognized this fact and have depended heavily on private investigators. For example, the American Banking Association and the American Hotel-Motel Association have retained the Wm. J. Burns International Detective Agency to investigate crimes "because the public police and investigative forces were too busy to devote the amount of effort required."[27]

Using Reserve Law Enforcement Officers.[28] The number of public law

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[25] William C. Wooldridge observes that the railroad police developed "an expertise not realistically within the grasp of public forces." William C. Wooldridge, *Uncle Sam, the Monopoly Man* (New Rochelle, N.Y.: Arlington House, 1970), p. 117.

[26] Calculated from data from the Association of Railroads, Police Section, and US Bureau of Justice Statistics, *Criminal Victimization, 1992.*

[27] James S. Kakalik and Sorrel Wildhorn, *The Private Police Industry: Its Nature and Extent* (Santa Monica, CA: The Rand Corporation, 1971), pp. 112-113; and Benson, *The Enterprise of Law*, p. 263.

[28] This section is based on interviews with Richard B. Weinblatt, president of the Center for Reserve Law Enforcement, and Bill Martin of the International Reserve Law Officers Association.

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enforcement officers is increased by more than one-third if the estimated 225,000 to 250,000 reserve police officers and deputy sheriffs across the United States are counted. (They are known in some departments as "auxiliaries" and in some as "specials.") Reservists represent a pool of trained law enforcement personnel for use in emergency situations. At these times, they serve much the same function that the National Guard and military Reserve units serve during times of war, other emergencies and natural disasters. Some police and sheriff's departments try to hire regular replacements from the reserve forces because they already know the officer's ability, and also because the officer already has much of the expensive training required.

An "us versus them" mentality pervades many public law enforcement agencies, with members of the force encouraged to look with suspicion on "civilians." One valuable contribution of reserve law enforcement is to break down this wall. The most important contribution made by reserve law enforcement is to encourage citizens to take more responsibility for their own safety and that of their families and neighborhoods and rely less on government to look out for their interests.

Incentives for Public Police

Private-sector businesses often use bonuses as incentives for employees and managers to meet certain targets, such as revenue growth, productivity gains, profitability and cost control. There is evidence that the same sort of financial incentives, if implemented with adequate controls, could be used to advantage in improving crime control by public police.

Case Study: Paying for Crime Reduction.[29] A few years ago the city of Orange, near Los Angeles, started paying its police according to how much crime was reduced. The incentive plan applied to four crimes: burglary, robbery, rape and auto theft. Orange used pay raises rather than bonuses. For every 3 percentage point reduction in the crime rate, the police got a 1 percent raise. The results were encouraging. During the first seven months of the program, the selected crime categories fell by 17.6 percent. Other crimes held steady, suggesting that the police were not merely reallocating their

[29] Morgan O. Reynolds, *Crime by Choice*, Dallas, TX: Fisher Institute, 1985, pp. 96-97.

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efforts. Among other changes, detectives, on their own time, began sharing information by video-taping briefings with leads for patrol officers on specific beats. The whole force developed a campaign to encourage safety precautions in residents' homes.

A skeptic might inquire whether the decline in Orange's reported crime wasn't due to the financial incentive to "unrecord" crimes. This incentive explains why private-sector businesses use systems of checks and balances as well as monitoring by boards of directors and outside auditors to ensure fidelity. In the case of the Orange Police Department, records were audited by the California Bureau of Criminal Justice Statistics. The bureau found that, if anything, the Orange Police had overreported crime to play it safe. Wider use of the incentive system developed by Orange would require accuracy in crime reporting. Independent public accounting for crime rates probably would be essential. Another problem is determining baseline performance. Other factors besides activities of the police determine crime rates, so the base point for judging incrementally superior performance would have to be adjusted for population changes, social changes, new court practices and other factors. Neither problem is insurmountable, but both warrant careful attention in practice.[30]

Bounty Hunting: Making the Bail System Work

In accord with our precious civil liberties, the American criminal justice system allows most people who are arrested and charged with a crime to be released on bail pending trial. The private bail bondsman who guarantees the appearance of the defendant in court makes the bail system work with the aid of his enforcement agent, the bounty hunter.

The Commercial Bail Bonding System. Bail operates on the principle that the criminally accused will be freed from jail once he guarantees his presence in court on a certain date by posting a significant sum of money. If he shows up, he gets his money back; if he doesn't, he suffers a major financial loss. Since most criminal defendants do not have enough money to post the full amount, the market provides the

[30] It would be important to establish a new, lower baseline each year geared to reductions in crime. Otherwise, the incentive scheme would be self-defeating once the police department had earned the highest allowable pay increases.

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professional bail bondsman. If the bail agent is willing, he posts the entire bond in exchange for a fee, customarily 10 percent of the total bond. The bail agent loses all of the bond and usually his 10 percent commission if the defendant fails to show up in court.

The private bail agent can only stay in business if at least 95 percent of his clients show up in court. Uncounted numbers of agents have gone broke for failure to run their bonding business as a business. That is why surviving private bail agents are so efficient at ensuring the appearance of their clients, at no cost to the taxpayers. Frank Callahan, a bail agent in New Jersey, says, "I lose 100 percent of my profit if the guy jumps bail. That's a real incentive for me to monitor my people."[31] Bail bondsmen expend a great deal of energy and ingenuity in getting their defendants to court. Usually bondsmen require a cosigner for the defendant's bond, typically a family member. Callahan says, "I try to get Mom and Dad on the hook." With family members' property at risk, the odds improve that the defendant will come to court. If he is a no-show, his family as well as the bondsman lose a lot of money. This arrangement resembles the "bonding" of ancient Anglo-Saxon tradition.

How Bounty Hunters Make Private Bail Work. A significant reason that private bail works is the use of bounty hunters, or "bail enforcement agents," to recover fugitives. Most work part-time because their primary business is bail bondsman or private investigator. Every state requires that they be licensed and regulated. In a majority of cases, bounty hunters directly apprehend the fugitives. In the remaining cases, they locate and identify the fugitive and let the police make the arrest. They are driven by a powerful incentive: they receive no compensation unless the fugitive is returned to the court. Bounty hunters generally earn between $20,000 and $30,000 a year (at $1,000 to $2,000 per fugitive recovered) for their part-time efforts.

Once a defendant skips, the bondsman authorizes the hunt by sending out notices to relevant bondsmen and bounty hunters in their national network. The program bears a resemblance to Crime Stoppers. Any person can engage in the search, but most of the time professionals make the recovery. The national network of agents provides great flexibility and is less hindered by restrictions and local

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[31] John Carlisle, "Criminal Welfare: A Jail Reduction Failure," *Policy Insights,* April 1992, No. 406, Free Congress Research and Education Foundation, Washington, DC, pp. 1-2.

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jealousies than are police. According to Gerald Monks, a Houston bail agent and former executive director of the Professional Bail Agents of the United States (PBUS), "They are the only ones in the criminal justice system to have an economic reason to ensure the defendant's appearance in court."[32]

On the whole, the private bail bonding system seems to work reasonably well.

- According to one source, the fugitive rate for defendants out on private bail (defined as the percentage of defendants not apprehended three years after failure to appear in court) is under 1 percent.[33]
- An Alexander Grant study claims that private bail agents have a 0.8 percent fugitive rate versus 8.0 percent for public bail.[34] [See the discussion of public bail below.]
- A U.S. Department of Justice study of the 75 largest counties in 1990 found that only 14 percent of felony defendants released on surety bonds initially failed to appear in court versus 27 percent of those released through other methods. And at the end of one year the fugitive rates were 3 percent and 9.5 percent respectively.[35]

Public Bail: A System That Doesn't Work

In addition to the commercial bail bonding system, we have a public bail system administered by tax-funded pretrial release (PTR) bureaus. These are usually operated by county governments, which historically were administrative subdivisions of state government. PTR staff members interview defendants and recommend to judges whether they should be released. In the public bail system, defendants rarely post any kind of monetary bond, usually being released under a personal recognizance bond. The defendant simply promises

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[32] Author's interview, February 19, 1993.

[33] Carlisle, "Criminal Welfare: A Jail Reduction Failure." According to Bob Burton, bounty hunter and author of *Bounty Hunter* (Boulder, CO: Paladin Press, 1984) and *Bail Enforcer: The Advanced Bounty Hunter* (Boulder, CO: Paladin Press, 1990), five out of six who skip private bail get picked up.

[34] Jane Marino Reed and Rhonda Sue Stallings, "Bounty Hunting: The Alternative Justice System," publication of the Professional Bail Agents of the United States, Houston, TX, August 1992, p. 5.

[35] Calculated from U.S. Bureau of Justice Statistics, "Pretrial Release of Felony Defendants, 1990," NCJ-139560, November 1992, p. 9.

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the judge that he or she will appear in court. As a consequence, the defendant has little or nothing to lose if he or she fails to appear.

Origins of Public Bail. Why do we have tax-funded bail? The system originated in the mid-1960s. Its original intent was to provide selective help for indigents charged with nonviolent crimes who couldn't afford to post bond. But it rapidly evolved into an indiscriminate release mechanism to cap the jail population. It has failed miserably to accomplish any of its aims. According to Gerald Monks, the Houston bail bondsman, defendants who can get no help from family, friends or coworkers usually "have robbed, lied to, or otherwise mistreated their friends, relatives, employees, or coworkers to the extent that they will not come to their rescue to pay bond. Many of them believe they (the defendants) should stay in jail."[36]

Higher Fugitive Rates. Since the salaries of PTR staff members do not go down when defendants fail to appear, they do not have the same incentives as private bail bondsmen to keep their fugitive rate to a minimum. And since the defendants bear no cost when they fail to appear, predictably the no-show rate is high. Studies show that:[37]

- As many as half of the criminal defendants released before trial by PTR agencies have previously jumped bail.
- Half of the defendants released have one or more prior felony convictions.
- Overall, about 27 percent of defendants supervised by PTR agencies fail to appear in court.

Higher Costs. This poor performance harms the general public in two ways. First, the taxpayers pay a small fortune in rearrest warrants. Second, while on release, the defendants commit more crimes. In these respects, the PTRs contrast unfavorably with private agencies.[38]

- A 1986 Department of Justice study found that PTR defendants committed twice as many crimes while awaiting trial as did defendants released on private bail.

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[36] Author's interview, February 19, 1993.

[37] See Carlisle, "Criminal Welfare: A Jail Reduction Failure;" U.S. Bureau of Justice Statistics, "Pretrial Release of Felony Defendants, 1990;" and Martin D. Sorin, *Out on Bail* (Washington, DC: National Institute of Justice, U.S. Department of Justice, 1986).

[38] Ibid.

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- This poor performance persists despite the fact that PTR often releases the most attractive or eligible prisoners while private bail bondsmen deal with the remainder.

Administering public bail is expensive for taxpayers. For example, public bonds cost $356 per defendant in Harris County (Houston), Texas, in 1992. The Harris County PTR agency had one staff employee for every 16 defendants it supervised, compared to one staff person for every 87 defendants supervised by a private bail bond company in Houston.[39] Yet, as noted above, commercial bail agents have a fugitive rate that is less than one-third that of the public agencies.[40] The only time the public police are likely to get prisoners on PTR release who jump bail is during a routine traffic stop when they check to see if the driver is wanted for any offense.[41] Detectives, already burdened with caseloads of 60 to 200 cases, do not have the incentive or wherewithal to track them down. Many urban counties have more than 50,000 fugitives and the national total surely exceeds 1 million — and that does not include parole and probation violators.

Inadequate Standards. Some criminal court judges refuse to deal with pretrial release agency bonds because they release felony defendants on their "honor" with "little or no recourse against them for failure to appear in court," according to Judge Ted Poe, 228th District Court

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[39] Reed and Stallings, "Bounty Hunting: the Alternative Justice System."

[40] John Burns, a private bondsman from Texas, contrasted the two types of bail when he spoke before the Association of (public) Pre-Trial Services Agencies in 1985. "Really," Burns said, "there are very few differences between public bail and private bail, in spite of the fact that I am the only free enterprise bail agent in this room. Let me give you an example. Would all of you please hold up your hand when you agree that you do similar things that I do? "How many here interview and get people out of jail? Please hold up your hand." Every hand in the room, including Burns', went up. "How many here pay for their house notes, their groceries and so on because of the work we do?" Again, every hand, including Burns', was raised. "How many of you go out if the man does not show up for court, find the man and bring him to court or are personally responsible to pay the bond if it forfeits?" Burns' was the only hand raised. He looked at the crowd and said, "You see, the only difference is that *we* (the private bondsmen) are responsible." Then he sat down. Recounted in Gerald Monks, "Public Bail — A National Disaster," chapter 8 in Patrick B. McGuigan and Jon S. Pascale, eds., *Crime and Punishment in Modern America* (Washington, DC: Free Congress Resource and Educational Foundation, 1986).

[41] "No Body, No Booty," interview with Bob Burton, *Paladin Press Magazine,* June 1993, pp. 28-29. See also Bob Burton, *Bounty Hunter* (Boulder,CO: Paladin Press, 1984) and Bob Burton, *Bail Enforcer.*

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in Houston.[42] The agencies should be abolished, but, as with any government agency, this is a politically difficult feat. Failing that, some state legislators have tried to force PTR agencies to apply more responsible release criteria (the so-called Uniform Bail Act), including no release of those with prior criminal convictions or those who have "jumped" previous free recognizance bonds. These efforts have been prompted by high-profile, vicious crimes committed by felons released on PTR agency recommendations. Another problem is that information provided by an arrested person during the PTR interview has often been passed on to the state. Some claim that this practice compromises the civil right of the accused against self-incrimination.[43]

Encouraging Irresponsibility. Perhaps the worst thing about public bail is that it removes the pressure on the criminal to depend on his family and begin to rehabilitate himself. All recovery programs recommend support groups to help prevent relapses. Free bail separates the criminal from the support group that matters most: his family. "If you go over to the jail after a bond hearing, you'll see these people getting out on pretrial release and they'll all be high-fiving each other and they'll be saying, 'I can't believe they bought that crap again.' These guys have the system figured out," says Frank Di Rocco, private bail bondsman.[44]

How to Expand the Role of the Bounty Hunter

If bounty hunting is interpreted as all private apprehension of criminals, everyone is a potential bounty hunter. National television shows like "America's Most Wanted" demonstrate that people will step forward to identify criminals even when there is no reward, provided they can maintain anonymity. Bounties accomplish two desirable objectives at once. First, financial incentives encourage more private citizens to become involved in detecting and apprehending criminals. Second, because of the increased effort to detect and apprehend, bounties raise the cost of crime to criminals and therefore

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[42] Remarks before the Professional Bail Agents of the United States National Convention, Las Vegas, February 8, 1993.

[43] David Mitcham, "Free Bond-Free Lawyer Bondsmen Reconsidered," *Docket Call*, official magazine of the Harris County Criminal Lawyers Association, March/April 1989.

[44] David Villano, "Get Out of Jail Free," *New Times*, July 1991.

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reduce crime. If potential criminals know they will have a bounty on their heads after their crimes, they also know that the likelihood of being caught is higher and that committing a crime is riskier.

Use of Bounties by Government. There is some recognition of the value of bounties, both in the public and private sectors. The federal government has offered bounties of $1 million or more in some cases of terrorism, and federal and state agencies often post bounties for killers and kidnapers.[45] For example, two bail enforcement agents recently tracked down a murder suspect in Dallas after the federal government offered a $2,500 reward for his capture.[46] Among notable uses of bounties in the private sector: for many years, armored truck companies and art galleries have offered rewards when they have been robbed or burglarized. In addition, governments, police and bounty hunters pay "snitches" for information. And the federal government has long been authorized to pay rewards to those who identify tax evaders.

Expanding the Role of Private-Sector Bounties. In principle, bounties could routinely be given to people whose help leads to an arrest and conviction for every crime. Public methods for communicating information about crimes and rewards could include advertisements on television and radio and in newspapers, magazines and other publications. As the activity became more common, special bounty hunting magazines might emerge. More programs like "America's Most Wanted" and "Unsolved Mysteries" would be likely. The Fox Television Network reports that of 717 fugitives profiled on "America's Most Wanted" through early February 1994, 292 were captured as a direct result of viewer participation.[47]

Funding for Private Bounties. Under the current system, the priorities of the police often are not the same as the priorities of the victims. A system in which victims could promise cash rewards to people whose help leads to the arrest and conviction of criminals would help change that. Bounties could come from at least four sources:

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[45] See Stephen Labaton, "Now Bounty Hunters Can Make Out Like Bandits," *New York Times,* October 17, 1993, p. 4E.

[46] *Dallas Morning News,* July 24, 1993, p. 1A.

[47] Author's telephone interview with Sharon Greene, assistant producer, February 9, 1994.

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- Interested, public-spirited citizens could set up an organization to fund bounties.
- Victims of crimes could fund their own rewards.
- Association and insurance policies covering theft and other loss or casualty due to crime could include posting of bounties as an integral part of the policy.
- Developers, businessmen, building owners and homeowner associations could institute a system of bounties covering crimes in residential and business districts.

Case Study: Crime Stoppers. Begun in Albuquerque, N. M., in 1976 and now an international organization, Crime Stoppers is a privately organized and funded program to help apprehend criminals and recover stolen property. Residents in a community set up a nonprofit corporation, raise funds and determine the amount of rewards and how they will be paid. Crime Stoppers encourages people to come forward with information by offering both anonymity and money. The organization works closely with police, and police detectives staff a special Crime Stoppers telephone. Callers are assigned code numbers and do not give their names. Over the years, Crime Stoppers estimates that callers encouraged by its program have helped police to recover nearly $3 billion in stolen property and narcotics and to attain a 97 percent conviction rate for defendants who are tried.[48]

Potential Abuses under Private Law Enforcement

An ancient question is, Who polices the police? Three types of police abuse might seem peculiar to private law enforcement. The first is the possibility of an alliance between private police and the underworld for mutual profit. A special case would be criminal firms that integrate the functions of stealing and recovering insured property. ("My brother steals property, I recover it and we split the reward.") A second problem is the incentive to victimize innocent people with false arrests, prosecutions and penalties. A special case would be artificially increasing the supply of criminals and thereby increasing the "catch" and the associated bounties collected. A third problem is the incentive to let criminals off the hook in exchange for criminal payments larger than the bounty.

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[48] Author's communication with Crime Stoppers International, Inc.

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The first problem is the familiar stuff of graft and abuse of police authority. The second problem (prosecuting innocent people) might occur in various ways. For example, a private enforcement agency might:

- Fabricate an offense and then arrest and prosecute someone.
- Select an innocent person to prosecute for an actual crime.
- Induce a person to commit an offense that he would not otherwise commit and then prosecute (so-called entrapment).
- Knowing a crime is about to occur, wait until it occurs and then prosecute to obtain a higher reward than by prosecuting an attempted crime.

The third form of corruption occurs if there is a large gap between the fine owed by the criminal and the amount paid to the successful enforcer.[49] Under these circumstances, the criminal could pay the enforcer an amount larger than the reward he will recover but less than the total fine owed by the criminal. Both would profit from this arrangement, at least in the short run, other considerations aside. For example, suppose the enforcer will be paid $2,000 for the arrest, and the criminal faces an 80 percent chance of a $20,000 fine upon conviction. The criminal could offer $2,500 to the enforcer and both would profit by the exchange.[50]

Yet all these temptations exist for government officials as well. Police scandals involving participation in burglary rings, drug dealing, bribes and abuse of innocents is familiar fare.[51] Logic implies that corruption problems exist in even greater degree in public than private law enforcement because private market mechanisms make corruption and betrayal of public trust more expensive for offenders. To understand why, consider each problem in turn.

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[49] Also see Richard Posner, *The Economic Analysis of Law,* 4th ed. (Boston: Little, Brown, 1992), pp. 597-98.

[50] Later, however, the enforcer (or anyone else) can blackmail the criminal in exchange for not prosecuting, presenting a continuing problem for the criminal.

[51] No city exceeds New York City in the exposure of massive police corruption each generation. Because of the large fixed monthly levies received by each police officer in the 1880s and 1890s, the Lexow Committee found that police jobs and promotions had to be purchased from those in power. Appointments to patrolman cost $300 and a promotion to "roundsman" cost an equal sum; making sergeant cost $1,600 and captaincy required as much as $15,000. See Carl Sifakis, *The Encyclopedia of Crime* (New York: Facts on File, 1982), p. 423. The Knapp Commission (1970-72) found that building contractors added 5 percent to construction costs for bribes to police (Sifakis, p. 402).

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With regard to the first problem — integrated theft and recovery firms in a privatized law enforcement regime — insurance companies would have to guard against and discourage such criminal exploitation more vigilantly than they do now. The same techniques aimed at stopping all types of insurance fraud would be employed. One such technique is to use rewards more extensively to successfully prosecute perpetrators of fraud.

More generally, the real disciplinary device for malfeasance is the marketplace. There is far less incentive for private enterprise enforcers to abuse rights. Competing private enforcement agencies must preserve a market reputation for fair and reliable dealing. Collaboration with criminals and abuse of innocents severely damages business reputation and therefore profitability. This market discipline is supplemented by bonding, licensing and common lawsuits. For example, unsuccessful searches and prosecutions cost time and money and add nothing to the bottom line. It pays private enforcers to avoid harming the innocent because it's just too expensive. They are acutely aware of the costs of harassing innocents on the street and of prosecuting them. These activities do not yield the financial return to the business that successful apprehensions do.

Lawsuits are more potent against private enforcers than public enforcers. Victims of erroneous arrests and prosecutions can successfully sue private agents for damages. Although a wrongfully arrested person may have little status or money, lawyers are available on a contingency basis and the arrestor's employer usually would be a suable (insured) "deep pocket." The employer is responsible for the on-the-job damages of his or her employees under the doctrine of *respondent superior*. Nor will abusive firms receive many contracts for enforcement services. Competition and the common law promote quality protective services at prices customers are willing to pay.

Government, by contrast, encourages authoritarian behavior. It retains sovereign immunity from lawsuits against a wide range of actions. Its employees have effective immunity from private suits, and it attracts those who enjoy wielding power over others. Public police are notoriously difficult to discipline.[52]

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[52] Douglas T. Cohen, Cox News Service, "Bad Cops Hard to Get Off Streets," *Houston Chronicle*, June 20, 1993, p. 6C. See also the open letter of January 10, 1994, to President Clinton asking him to appoint a national commission to investigate the widespread abuses of civil liberties by federal law enforcement agencies (53 separate federal agencies have the

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Integrating Tort Law and Criminal Law

The balance between civil and criminal law has shifted over centuries, from Anglo-Saxon reliance on civil remedies to Norman reliance on government prosecution. Today, a person accused of a criminal wrong typically goes through the normal steps of the criminal justice system: arrest, prosecution or not, indictment or dismissal, plea bargain or trial, conviction or acquittal, appeal or not, fine, probation or prison. But not every offense is appropriately handled by this cumbersome mechanism. Sometimes private action is more productive than turning to the police and courts. Businesses, for example, often find informal internal handling of white collar crime more effective than private or public prosecution. And civil prosecution may be an attractive supplement or alternative to criminal prosecution. These approaches merit examination.

Private Nonjudicial Remedies. When businesses are victims of crime, especially internal economic crimes, they often bypass the public criminal justice system because they do not expect prosecution to be worthwhile. Why? Public police are poorly equipped to investigate business crimes, prosecutors may not be interested in such cases, substantial delays are involved, business victims may not want to disclose confidential information, they may want to avoid higher insurance premiums and the courts may be unsympathetic toward business losses due to crime. Companies often prefer to settle internal crimes informally rather than risk adverse publicity over employee theft, management fraud and other offenses. Further, businesses sometimes consider certain losses as prohibitively costly to eliminate and as a cost of doing business.[53]

Internal business crime is most effectively controlled by sound personnel and management controls. If a theft occurs, managers reexamine private security, internal controls and audit functions for improvement. The emphasis is on prevention. For guilty employees,

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authority to make arrests and carry firearms), including the disastrous siege of the Branch Davidian compound at Waco, Texas. The letter was signed by officials of 10 organizations, including Ira Glasser of the American Civil Liberties Union, Arnold S. Trebach of the Drug Policy Foundation, James J. Baker of the National Rifle Association and Alan Gottlieb of the Second Amendment Foundation, and made public by the ACLU.

[53] For example, an executive for the Association of General Contractors said, "Some contractors routinely add 5 percent to their estimates to cover the costs of internal and external theft." Quoted in *Hallcrest II*, p. 300.

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the range of company sanctions includes suspension without pay, reassignment, elimination of some duties, restitution agreements, dismissal or criminal prosecution. Little is known about these private justice processes.[54]

Interviews by the Hallcrest organization in 1989 show that both large and small businesses are instituting more civil actions for restitution (and often for damages, too) against alleged offenders: employees, competitors, contractors and others.[55] Unfortunately, there is no statistical information about the scope of this development.

Seeking Civil Damages. In civil law, a tort is a wrongful injury that does not involve a breach of a contract between the parties. Victims can sue to recover damages from the defendant or the defendant's insurer. Approximately 90 percent of tort suits are settled without a trial through private negotiation. In general, the private legal system promotes responsible individual behavior and social efficiency as well. The most common tort – unintentional – is automobile accidents; but some torts are intentional: trespass, libel, fraud, conversion (the tort counterpart of theft) and simple battery (an unlawful beating).

A plaintiff can bring a tort suit in civil court against a defendant, even if the accused is also a defendant in criminal court for the same offense, because the same act is often both a crime and a tort. There are distinct advantages to more civil suits directed against criminals.

- Since victims collect compensation from the liable defendants, the suits encourages victims to sue in other cases.
- The payoff to crime is lowered and crime discouraged because criminals experience a higher risk of suffering a financial loss.
- It is easier for victims to win because only a preponderance of evidence is required to prevail, whereas a criminal conviction requires evidence of guilt beyond a reasonable doubt.
- The defendant in a civil suit can be deposed and compelled to answer questions, unlike in a criminal trial.
- The plaintiff can benefit financially if the defendant profits from his crime (say, by writing a book about it) because the profits can be used to pay restitution, unlike in a criminal conviction.

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[54] For a discussion, see Clifford Shearing and Philip Stenning, "Private Security: Implications for Social Control," *Social Problems*, vol. 30, no. 5, June 1983, pp. 503-04.
[55] *Hallcrest II*, pp. 299-300.

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The son of one of the victims of Charles Manson and his followers won a $500,000 federal lawsuit against Manson in 1971 and although he had to wait 22 years, he began collecting royalties due Manson from a song on a 1993 record album.[56]

Obstacles to Civil Suits. At least three problems arise with private prosecution:

- Victims generally wait until a criminal prosecution is complete before they decide to pursue a civil remedy.
- The law treats most criminal offenders as judgment-proof or insolvent ("indigent"). A majority, for example, have court-appointed attorneys.[57]
- Private litigation is expensive.

Overcoming the Obstacles. Many of the problems that make it difficult to integrate tort law and criminal law can be remedied. Here are some possible ways:

First, the law could be changed to give criminal courts concurrent civil jurisdiction where it is requested and to allow the joining of civil litigation with criminal prosecution. Thus, if a defendant were convicted, immediately after the sentencing the same judge who presided over the criminal trial could hear the civil suit against the defendant. Perhaps the victim should be allowed to ask for compensation in the criminal trial.

In France, a crime victim may file a civil claim for reparations against the accused at the same time as the criminal prosecution is brought by the public prosecutor, and before the same court.[58] Contrary to U.S. practice, the French crime victim also has the right to file his or her private suit in a criminal court before the public prosecutor has begun a criminal proceeding. In effect, this is a private prosecution and obligates the public prosecutor to begin the

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[56] "Victim's Son Gets Manson Royalties," Associated Press story, *New York Times*, December 26, 1993.

[57] In a survey of more than 1,000 Texas felons in 1988, Ben Crouch, professor of sociology at Texas A&M University, found that 740 had court-appointed attorneys and 280 had private attorneys to defend them. The district attorney of Brazos County, Texas, said 85 to 90 percent of defendants had court-appointed attorneys. Author's telephone interview, April 13, 1993.

[58] Cardenas, "The Crime Victim in the Prosecutorial Process," pp. 357-98; French example pp. 384-86.

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criminal proceeding. According to one observer, "private prosecution" (*action civile*) is very popular in France, since it enables the victim to collect damages quickly and inexpensively."[59]

There is an element of risk in bringing civil action before criminal judges. If the *action civile* is dismissed because the judge finds the complaint groundless, the plaintiff must pay court costs and damages to the defendant. If the court believes the plaintiff made a false accusation, the judge will conduct a criminal examination against the plaintiff and, if bad faith is proved, the plaintiff will be convicted.[60]

German public prosecutors are in a monopoly position like their counterparts in the United States with two exceptions: (1) crime victims can prosecute for a narrow class of misdemeanor offenses like trespass on domestic premises, and (2) a crime victim can formally demand that the prosecutor prosecute in a particular case. If the prosecutor refuses, the victim is entitled to an explanation. A dissatisfied victim may appeal to the state appellate court, and if the court finds sufficient evidence for a prosecution, it may order the prosecutor to bring charges. At trial, the victim may then join the prosecution as a "supplementary prosecutor" to ensure that the public prosecutor does not sabotage the case he has been ordered to prosecute against his will.

Second, legislatures and courts might allow more liberal use of restitution through performance of in-kind services like yard mowing and house painting as well as repayment through wages withheld, with supervision financed and operated by a private bonding agent at no cost to taxpayers. These remedies may require modification of bankruptcy laws and state prohibitions on garnishing of wages. For example, suppose that the harm to a victim of crime was $8,000 and the cost of apprehension and conviction was $2,000. Then the criminal would have to repay $10,000 in present value terms via deductions from wages under supervision of a private bondsman. If the criminal became a fugitive before completing restitution, the criminal's ultimate chances of escape would be slim because of the efficiency of the private bonding system. The use of private bonding

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[59] "Prosecution: Comparative Aspects," in S. Kadish, ed., *Encyclopedia of Crime and Justice* 1303, cited by Cardenas, p. 385.

[60] "The Civil Action for Damages in French Criminal Procedure," 39 *Tul. L. Rev.*, 698 (1965), cited by Cardenas, p. 386.

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agencies to supervise probationers and parolees is discussed more fully below.

If there are legal prohibitions against this approach, they should be repealed. Bounty hunters are permitted to cross state lines and operate under fewer restrictions than police in pursuing bail jumpers in criminal cases. They would need the same flexibility of pursuit under civil law.[61]

Third, allow the victim to be a party to the negotiation of settlements in criminal trials. If the criminal and civil trials were joined, settlements in both could be negotiated at the same time for less expense.

If the legal system tilted toward plaintiff restitution instead of criminal punishment, it would move us away from unproductive imprisonment. The accused, having less at stake, would be more likely to agree to a settlement instead of demanding a trial. Still, the ultimate sanction would have to be criminal prosecution and incarceration at varying levels of prison security for the really serious offenders. But the financial obligation for restitution through productive labor within prisons should remain in this hybrid system. The most recalcitrant criminals could be employed by private employers outside and inside prison walls in a kind of debtors' workhouse.[62] The employment of prisoners is discussed in greater detail below.

Paying for Civil Remedies. One of the obstacles that has severely limited the use of civil law against criminals is the cost of litigation coupled with the poor prospect of restitution. A possible reform is to adopt the English custom of requiring the loser to pay the attorneys' fees and other direct costs of civil litigation. This would give guilty defendants better incentives. They would be inclined to settle out of court rather than making their debt even higher by demanding a trial they expect to lose. This makes it easier for victims

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[61] One obstacle is the unwillingness of civil courts to administer damages more complicated than lump sum money payments. The liberties of private bondsmen to recover bail jumpers under criminal law could be extended to bonding arrangements for civil restitution.

[62] The practice of imprisoning debtors was an English custom readily imported into the American colonies; debtors once were sold into service for limited lengths of time in order to pay off debt. Reformers eventually achieved an absolute and total ban on jailing debtors when Florida became the last state to forbid imprisonment for simple debt in 1868. See Sifakis, *The Encyclopedia of Crime*, pp. 200-01.

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to successfully sue criminals. Another approach to covering these costs would be to provide funding for litigation as part of homeowners' and renters' insurance policies. And residential and business development owners, trade associations, social or community groups and others could dedicate part of the premiums they collect from members or subscribers to these litigation costs.[63]

Privatizing the Prosecution of Criminals

One of the frustrations faced by many businesses is that after the perpetrators of crimes have been identified, the District Attorney's Office will not pursue the case. One option is for victims to sue the DA in an attempt to compel him to prosecute, but this would be costly and proving dereliction of duty would be difficult. The DA is effectively immune. Other options are more promising.

Private Preparation of the Prosecution's Case. The law should encourage (and prosecutors' offices should welcome) private preparation of criminal cases. Prosecutors' budgets simply do not allow vigorous prosecution of all the criminal cases available. Logic and evidence show that in private law, plaintiffs win about 50 percent of the cases that are tried.[64] This is because the parties are more likely to settle lopsided cases out of court. Public prosecutors, by contrast, win far more than 50 percent of their trial cases because they have budget constraints and so elect whenever possible to go to court with only the cases they are likely to win.[65]

Victims should be allowed to hire private attorneys and other professionals to prepare cases against the accused and thereby extend

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[63] While their mechanisms were not identical to financing private civil suits against criminals, private associations were formed in England in the 1760s to prosecute criminals. Prosecution was selective and dues-paying members could refuse to prosecute or could negotiate informal settlements with the accused. Organized "thief takers," including the Bow Street Runners and the notorious McDaniel gang, operated in response to this system of rewards for securing the conviction of felons in London, but it is not clear whether the thief takers always operated legitimately. Some writers allege that they defrauded the system by integrating thievery and recovery; others claim that what they did was all merely a prelude to public policing. See David Philips and Peter King in Douglas Hay and Francis Snyder, eds., *Policing and Prosecution in Britain 1750-1850* (Oxford: Clarendon Press, 1989).

[64] Posner, *The Economic Analysis of Law,* 4th ed., pp. 603.

[65] Prosecutors drop the charges in 25 percent of arrests. About 85 percent of prosecuted cases are plea-bargained. See U.S. Bureau of Justice Statistics, *Sourcebook of Criminal Justice Statistics, 1992*, pp. 483, 527 and 528.

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public prosecutors' resources. The attorneys can be retained *pro bono* (for the good) or for compensation. This is already done in some white collar cases where financial complexities exceed the prosecutors' expertise, such as complicated embezzlement cases, some oil and gas swindles and cases involving the misapplication of construction trust funds.

Using Private Attorneys as Deputy DAs. At present, many cases are never prosecuted for one reason or another. For example, in about 40 percent of federal embezzlement and fraud cases, charges are dropped because of insufficient evidence to convict, given the resources at hand.[66] In some instances prosecutors "deputize" attorneys to try cases, too. Many private attorneys have criminal experience as former prosecutors or public defenders. A logical extension of private preparation for trial is the complete privatization of the prosecutor's job by contracting out. Private attorneys, of course, are often appointed on a *pro bono* basis for criminal defense. Private attorneys could be deputized for a single trial or for ongoing prosecutor's work, either *pro bono* or under contract.[67]

Funding for Privatized Criminal Prosecution. The same remedies are available to finance criminal prosecution as civil litigation. (See *Paying for Civil Remedies* above.) Commercial insurance policies could be expanded or created for this market. Associations and community groups could cover these costs for members and subscribers.

Privatizing the Probation and Parole Systems

In mid-1991, 2.7 million people in the United States were on probation and 531,000 on parole.[68] Half of all sentences for convicted felons are probated. Further, the system releases more than 99 percent of prisoners from prison to serve the remainder of their sentence outside prison walls under public parole supervision. To say that there are problems with both the probation and parole systems is putting it mildly. A large amount of crime is committed by

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[66] Calculated from *Sourcebook of Criminal Justice Statistics, 1992,* pp. 483-85.

[67] This idea is not without precedent. However, the author's local district attorney said he could only remember private preparation of a criminal case (a capital murder case) happening once during a 10-year period.

[68] U.S. Bureau of Justice Statistics, *Prisoners in 1991,* May 1992.

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people on probation or parole. Some of the crimes are brutal and highly publicized. For example:

- Kenneth McDuff, a rapist and multiple killer from Texas whose death sentence was commuted to life imprisonment, was paroled, and shortly raped and killed another woman.
- A California parolee abducted and killed 12-year-old Polly Klaas in a case that claimed national attention.
- One of the killers of basketball star Michael Jordan's father was out of prison on parole; the other was under indictment.

But the notorious cases are only the tip of the iceberg. Thirty-eight percent of persons arrested for felonies are under some sort of criminal justice supervision: either probation, parole or pretrial release.[69] Probation workers have more cases than they can effectively handle, and in the face of shortages of prison capacity parole boards are not as selective about whom to parole as they once were.

We can put the competitive market mechanism to work on this problem. Privatizing the probation and parole systems could quickly become one of the most important and most effective private methods of crime deterrence.[70] The commercial bail system used for criminal defendants can be adapted for convicts probated or paroled, both to make the probation and parole systems function better and to reduce costs to the taxpayer.

Using the Commercial Bail System for Probation and Parole Prisoners eligible for probation and parole should be required to post a financial bond against specified violations of the terms of their probation or parole (e.g., reporting regularly to their bondsman, submitting to drug tests, etc.). The amount should be set by the courts or parole boards based on the criminal's history and prospects for a productive, noncriminal life. A typical bond might be $10,000. As with bail bonds currently, many criminals would have to seek the help of family and friends in order to acquire the cosigners and wherewithal to pay the bondsman's fee and receive probation or parole. An important source of funds for parolees could be wages earned while in prison. But if no intimate of the criminal nor any

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[69] *Felony Defendants in Large Urban Counties, 1990*, National Institute of Justice, U.S. Department of Justice, NCJ-141872, May 1993.

[70] The author thanks Gerald Monks of Houston, a former executive director of the Professional Bail Agents of the United States, for suggesting this idea.

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private bondsman cared enough to risk their own money on the probationer or parolee, why should the general public risk that person on the streets? Privatizing the probation and parole systems provides a market mechanism for deciding whom to release on probation or parole and whom to continue incarcerating.

There would be no cost to the taxpayers. A flat fee of, say, $500 per year per probationer or parolee for supervision and processing by private bondsmen should be paid privately by the probationer or parolee. For this there is ample precedent: over half the states already allow local probation departments to collect fees from probationers.[71] Persons violating the terms of their probation or parole would forfeit their bond, generating revenues for the criminal justice system, victim compensation and other uses.

Advantages of Private Bonding. This voluntary, privately financed market would be a tremendous help to parole boards and courts in sorting out promising parolees from the unpromising. A private bonding system would reduce, if not eliminate, the need for probation and parole officers on the public payroll. At the same time, with considerable sums of their own money at risk, bondsmen would supervise their charges closely and the fugitive rate would be low.

Pursuit of those who violate probation or parole would be more effective because unlike police, bounty hunters have every financial incentive to recover fugitives, and they can go to any jurisdiction and use any means within the boundaries of the law to apprehend a fugitive.

Privatizing the entire probation and parole system would not only save taxpayers money but would also result in a far more effective system than the one we now have. Crime would plummet.

Privatizing the Prison System

Studies show that prisons can be built and maintained less expensively in the private sector. A number of studies find savings of 20 percent for private construction costs and 5 to 15 percent for private management of prison units.[72] Further, independent observ-

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[71] *Making the Offender Foot the Bill: A Texas Program*, National Institute of Justice, U.S. Department of Justice, NCJ-136839, October 1992.

[72] Gary W. Bowman, Simon Hakim and Paul Seidenstat, eds., *Privatizing Correctional Institutions* (New Brunswick, N.J.: Transaction Publishers, 1993).

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ers who monitor, for example, the contracts of Corrections Corporation of America (CCA), a Nashville, Tenn., company, praise the quality of the company's operations.[73] George Zoley of Wackenhut Corp. in Coral Gables, Fla., years ago predicted a gradual building process in which the private sector establishes a "good track record and proves it can do the job."[74] It has come to pass:

- With 20,698 adult prisoners in private correctional facilities on June 30, 1993, the market share of private prisons has risen to 1.5 percent of the prison and jail population.[75]
- The number of management firms with contracts for prison operations rose from 17 to 21 between 1992 and 1993.
- Private facilities under contract also rose from 62 to 71 (including 65 in the United States), a one-year increase of 14.5 percent.

The evidence indicates that if there were a market for prison cells, there would be much less of a problem in funding and efficiently allocating prison space for convicts. And there are numerous, but unexploited, opportunities to reduce the net costs of prisons by creating factories behind bars, having prisoners earn their keep and compensating victims.

The most promising ways to control taxpayer costs involve the privatization of prison construction and operation. Short of full privatization, government-operated correctional facilities could be corporatized and operated like private businesses.

Employing Prisoners. Prisons originally were intended to be self-supporting, and during the 19th century many state prisons ran surpluses, returning excess funds to their state governments. In 1885 three-fourths of prison inmates were involved in productive labor, the majority working in contract and leasing systems. Fifty years later only 44 percent worked, and almost 90 percent worked in state rather

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[73] For a comparison of the quality of private and public prisons, see Charles H. Logan, "Well Kept: Comparing Quality of Confinement in Private and Public Prisons," in *Journal of Criminal Law and Criminology*, vol. 83, no. 3, Fall 1992, pp. 577-613. In a comparison of privately and publicly operated corrections facilities in Kentucky and Massachusetts, both staff and inmates generally gave higher ratings to the services and programs at the privately operated facilities, while escape rates were lower and disturbances by inmates were fewer. See Dana C. Joel, "The Privatization of Secure Adult Prisons: Issues and Evidence," in Bowman, Hakim and Seidenstat, eds., *Privatizing Correctional Institutions*.

[74] Benson, *The Enterprise of Law*, p. 345.

[75] *Private Adult Correctional Facility Census*, 5th edition, Private Corrections Project, University of Florida, Gainesville, June 30, 1993.

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than private work programs.[76] Today, prison inmates are a huge drain on taxpayer wallets despite the millions of available hours of healthy, prime-age labor they represent.

Increasing productive work for prisoners requires the repeal of some federal and state statutes and clearing away bureaucratic obstacles. The federal Hawes-Cooper Act of 1935 authorized states to prohibit the entry of prison-made goods produced in other states. The Walsh-Healy Act of 1936 prohibited convict labor on government contracts exceeding $10,000. The Sumners-Ashurst Act of 1940 made it a federal offense to transport prison-made goods across state borders, regardless of state laws.[77]

Conclusion: Reforms That Work

The ineffectiveness and abuses created by our state-run criminal justice system are manifest. As government has grown ever larger, by every measure, the amount of protection supplied per tax dollar or per employee (productivity) against criminals has declined. The growth of the criminal justice system might please certain interest groups, police, politicians and bureaucrats, but the general taxpaying public is not pleased. The citizenry feels, with justification, that the public criminal justice system is failing, and has lost much of its confidence in the police, courts and prisons. Many criminals practice their mayhem with contempt for the ability of the public sector to do anything about it.

More of the burden of identifying, capturing, prosecuting and punishing criminals can be shouldered by the more efficient and innovative private sector. Crime would fall sharply if expected punishment reached the levels that prevailed in the 1950s (two to three times higher than today).[78] Here are 10 ways to reduce crime at less expense to taxpayers:

1. Contract out noncrime, nonemergency functions of police and sheriff's departments to private security firms, allowing public

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[76] Alexis M. Durham, "The Future of Correctional Privatization: Lessons from the Past," in Bowman, Hakim and Seidenstat, eds., *Privatizing Correctional Institutions*, p. 39.

[77] Barbara Auerbach, "Federal Government Involvement in Private Sector Partnerships in Prison Industries," in Bowman, Hakim and Seidenstat, eds., *Privatizing Correctional Institutions,* pp. 91-104.

[78] On crime and punishment, see Morgan O. Reynolds, "Why Does Crime Pay?" NCPA Policy Backgrounder No. 123, National Center for Policy Analysis, December 1992.

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law enforcement officers to concentrate more of their own efforts on crime. Pay bonuses or special incentives to departments that achieve independently verified reductions in crime.
2. Make greater use of reserve law enforcement officers and explore ways to expand their ranks.
3. Shut down pretrial release bureaus and so-called "free bonds" in favor of competitive, commercial bail bonds.
4. Increase the use of private rewards for criminal convictions, including bounties offered by commercial insurance policies.
5. Pay bounty hunters for recovery of criminals who are wanted on bench warrants (orders by judges or courts to arrest persons charged with criminal offenses).
6. Make greater use of private attorneys to prepare and/or litigate criminal cases at private expense in order to expand prosecutor resources at no cost to taxpayers.
7. Reduce legal obstacles to integration of criminal prosecution and civil remedies in order to raise the price of crime to criminals and compensate victims more adequately.
8. Require convicts eligible for probation and parole to post a private bond to guarantee good behavior, thus ensuring supervision by a bondsman, raising the cost for them to commit another crime or to violate the terms of their release and improving their self-control and rehabilitation.
9. Accelerate private construction and operation of prisons to bring down cost and raise quality.
10. Accelerate the private employment of prison labor, creating more "factories behind bars."

The debate over crime has been in a rut for decades, with conservatives emphasizing tough policies and liberals emphasizing softer remedies and improved economic opportunities. Privatizing the criminal justice system on an incremental basis would allow all law-abiding persons to win; the innovation and productivity of private enterprise can reduce crime, reduce taxes and improve the protection of civil liberties.

Note: Nothing written here should be construed as necessarily reflecting the views of the National Center for Policy Analysis or as an attempt to aid or hinder the passage of any bill before Congress.

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Will America Drown?

Immigration and the Third World Population Explosion

Editor: Humphrey Dalton

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Public Welfare in America

Dick Armey, M.C.
United States House of Representatives

When President Lyndon Johnson launched his Unconditional War on Poverty, he boldly declared, "the days of the dole in the United States country are numbered." However, within two years of the enactment of his Economic Opportunity Act of 1964, a remarkable escalation in public assistance payments began. While President Johnson may have been correct that the days of welfare are numbered, that number is proving to be very large indeed.

Any attempt to reform welfare must begin with the recognition that the current system has not resolved – rather seems to be perpetuating – poverty. It has created behavioral disincentives that trap many recipients in poverty from generation to generation and has also created yet another unwieldy and unresponsive bureaucracy. The key dilemma of the welfare state is that prolific spending intended to alleviate material poverty has caused the collapse of the low-income family and led to a dramatic increase in behavioral poverty – dependency, lack of educational aspiration and achievement, increased single parenthood and illegitimacy.

Studies have consistently shown that higher welfare benefits decrease work effort and increase welfare dependence. Increased dependence, in turn, has strong negative effects on children's intellectual abilities and life prospects. If we hold constant a wide range of factors such as family income, parental education, and residence, long-term welfare dependence by a family is seen to reduce a child's intellectual ability by more than one-third compared to children in similarly low-income families that were not on welfare.[1] Children raised by families on welfare are more likely to fail in school, more likely to get caught up in crime, and more likely to end up on welfare themselves as adults.[2]

Welfare Spending

Although the poverty rate has remained relatively steady since 1965, welfare spending has risen from 1.5 percent of GNP when Lyndon Johnson launched the program in 1965 to 5 percent today.

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The federal government spends more than $240 billion on welfare annually,[3] which is more than twice the money needed to raise every person on welfare out of poverty.[4]

Government Programs Destroying Families

It is no longer a question of whether this money has produced positive results, but rather what can be done to erase the debilitating effects welfare has had on society.

The current system has made marriage economically irrational for most low-income parents. Welfare has converted the low-income working husband from a necessary breadwinner into a financial handicap. It has transformed marriage from a legal institution that protects and nurtures children into an institution that financially penalizes nearly all low-income parents who choose it. Welfare benefits will be higher if a man and woman do not marry and are treated by the government as separate "households."

Too many mothers decide not to marry the fathers of their children; they marry welfare instead. As George Gilder, author of Wealth and Poverty observed, the modern welfare state has convinced poor fathers that they are dispensable. Through government programs, we send the message that men are most useful as procreators, not as family partners and providers. Government will pick up the tab for their children provided that they do nothing to help the mother or to assume responsibility.

Currently, the welfare benefit package (AFDC, Medicaid, housing, and food stamps) offers each single mother an average of between $8,500 and $12,000 in benefits, depending on the state.[5] The mother continues to receive that level of benefits as long as she does not work or marry an employed male.[6]

Research by Dr. Robert Hutchens of Cornell University estimates that a 10 percent increase in AFDC benefits in a state translates into an eight percent decrease in the marriage rate of all single mothers.[7]

The poverty rate among those living in traditional married couple families is less than half the overall poverty rate; the poverty rate for female headed families (with no husband present) is nearly six times the poverty rate for traditional two parent families. Individuals living alone outside a family similarly have very high poverty rates.[8]

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Who Is On Welfare?

According to U.S. Census Bureau data, 64 percent of welfare recipients are white, 31 percent are black, 14 percent are Hispanic and five percent are classified as "other." 42 percent of recipients are under 18, 48 percent are between the ages of 18 and 64, 10 percent are over 65. 48 percent of recipients have less than four years of high school education, 33 percent are high school graduates, and 18 percent have had at least one year of college. 57 percent of recipients are female, 43 percent are male.[9]

More than 20 percent of the children born in the late 1960s have spent at least one year on welfare; more than 70 percent of black children born in the same period have done so.[10] More than 30 percent of all children born in 1980 will live on welfare, as will 80 percent of black children.[11] A majority (over 54 percent) of persons receiving means-tested income transfers in 1990 were **not** in poverty, as it is officially defined.[12]

Welfare's Culture of Dependency

Children raised in families that receive welfare assistance are themselves three times more likely than other children to be on welfare when they become adults.[13] This inter-generational dependency is a clear indication that the welfare system is failing in its effort to lift people from poverty to self-sufficiency. A recent study found that higher welfare benefits increased the number of women who left the labor force and enrolled in welfare. A 50 percent increase in monthly AFDC and Food Stamp benefit levels led to a 75 percent increase in both the number of women enrolling in AFDC and in the number of years spent on AFDC. The percentage of children receiving AFDC is higher in states with the highest AFDC payments and lower in states with the lowest AFDC payments.

The Office of Economic Opportunity conducted controlled experiments between 1971 and 1978 in Seattle and Denver, known as the Seattle/Denver Income Maintenance Experiment (SIME/DIME). The experiments found that increasing welfare benefits had a dramatic negative effect on labor force participation and earnings. For every $100 of extra welfare given to low-income persons, the earned income of the recipients fell by $80.[14] Welfare reduces the probability that a poor person or family will leave poverty in any given year by about 60 percent. The chances of rising above the poverty level are two and one-half times greater if an individual or

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family does not receive welfare.[15] At any one time, more than half of welfare recipients have been on welfare for ten years.

Welfare's Debilitating Impact – The Rise of Single Parent Families

When the Great Society was launched in 1965, the illegitimacy rate among blacks was 25 percent; today, it is 66 percent. If current trends continue, the black illegitimate birth rate will reach 75 percent in ten years.[16] Thirty years ago, one in every 40 white children was born to an unmarried mother; today, it is one in five.[17]

The current system's financial penalties on marriage can be correlated with an unprecedented and growing number of unwed mother welfare recipients. The percentage of welfare recipients living in female-headed households increased from 29 percent in 1964 to 61 percent in 1976.[18]

White women raised in single parent homes are 164 percent more likely to bear children out of wedlock themselves and 111 percent more likely to have children as teenagers. Of those who do marry, marriages are 92 percent more likely to end in divorce than are the marriages of women raised in two parent families. Similar trends are also found among black women.[19]

Children raised in single parent families, when compared to those in intact families, are one-third more likely to exhibit behavioral problems such as hyperactivity, antisocial behavior, and anxiety.[20] Children in single parent families are two to three times more likely to need psychiatric care than those in two parent families;[21] they are also more likely to commit suicide as teenagers.[22] Children in single parent families score lower on IQ, aptitude and achievement tests.[23] With family income, neighborhood, parental education, and other variables held constant, young black men from single parent homes are twice as likely to commit crimes and end up in jail than are similar young men in low-income families where the father is present.[24]

Failed 1988 Attempt at Reform

Welfare rolls have increased sharply since the 1988 welfare reform legislation became law. Less than one percent of the welfare population is working today. And the program has cost us $10 billion more than expected – $13 billion instead of $3 billion. At the time of enactment, it was predicted that the number of families on AFDC

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would not reach five million until late 1998. In fact, that milestone was reached in early 1993.

While Americans were told that the 1988 reforms required most welfare recipients to work for benefits, by 1992 only one percent of all AFDC parents was actually required to enroll in workfare in exchange for welfare benefits.[25]

Conclusion

Welfare reform must begin with the realization that most programs designed to alleviate "material poverty" generally lead to an increase in "behavioral" poverty. While the poor were supposed to be the beneficiaries of the War on Poverty, they instead have become its victims. For more than 40 years, the welfare system has been promoting non-work and encouraging single parenthood and has obtained dramatic increases in both. Policy-makers must realize that welfare is no substitute for stable families and welfare programs must be designed to avoid undermining the families even when trying to solve the problems of poverty.

Notes

[1] M. Anne Hill and June O'Neill, "The Transmission of Cognitive Achievement Across Three Generations," March, 1992.

[2]Robert Rector, "President Clinton's Commitment to Welfare Reform: The Disturbing Record So Far," Heritage Foundation Backgrounder, December 17, 1993.

[3]Art Pine, "Riot Aftermath," *Los Angeles Times*, May 27, 1992.

[4]Donald Lambro, "Questions Rise From the Rubble, 'Great Society' Not So Great, Critics Say," *Washington Times*, May 10, 1992; the expenditures are specifically for the years between 1965 and 1990.

[5]This sum equals the value of welfare benefits from different programs for the average mother on AFDC.

[6]Technically, the mother may be married to a husband who works part-time at very low wages and still be eligible for some aid under AFDC-UP program. However, if the husband works a significant number of hours per month even at a low, hourly rate, his earnings will be sufficient to eliminate the family's eligibility to AFDC-UP and most other welfare.

[7]Robert Hutchens, "Welfare, Remarriage, and Marital search," *American Economic Review*, June, 1989.

[8]Richard Vedder and Lowell Gallaway, "The War on the Poor," The Institute for Policy Innovation," No. 117, June, 1992.

[9]Carrie Teegardin, "Debunking the Welfare Queen Myth: White Women with Children are Most Typical," *Atlanta Journal and Constitution*, December 11, 1992.

[10]Robin Toner, "New Politics of Welfare Focuses on its Flaws," *New York Times*, July 5, 1992.

[11]Thomas Sancton, "Hot To Get America Off The Dole," *Time*, May 25, 1992.

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[12]Richard Vedder and Lowell Gallaway, "The War on the Poor," The Institute for Policy Innovation," No. 117, June, 1992.
[13]M. Anne Hill and June O'Neill, "Underclass Behaviors in the United States: Measurement and Analysis of Determinants," U.S. Department of Health and Human Services.
[14]Gregory B. Christiansen and Walter E. Williams, "Welfare Family Cohesiveness and Out of Wedlock Births," *The American Family and the State*, 1986.
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[16]U.S. Department of Health and Human Services, National Center for Health Statistics.
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The Chinese Gulag
Hongda Harry Wu Lao
Westview Press: Boulder, Colorado, 1992

The massacre in Tiananmen Square shattered the assumptions of many observers who had looked upon the Chinese Communist government in Beijing as idealist reformers. Lao's *The Chinese Gulag* will further disabuse readers of any notion of benevolent rulers in China, as it details the forced labor camps spread throughout the country.

The author knows his subject intimately. Following his arrest by the Chinese Communist authorities, he spent nineteen years in twelve different camps in northern China. He has given a matter-of-fact description of his and his fellow-prisoners' plight but he does not conceal the harsh brutality of prisons whose residents were tortured and murdered merely for criticizing the government or for participating in protests. Wu, for example, was apprehended for expressing "counter-revolutionary opinions" during the anti-rightist campaign of 1957. The book gains added perspective and significance, since the author, who came to the U.S. in 1985, risked his life to return to China and, under various disguises, revisited some of these same camps in 1991.

Among the book's many interesting expositions is the political background of the institution "re-education through labor." In 1956 the Chinese Communists initiated a "liquidate counter-revolutionaries movement" in which labor camps were established and political prisoners incarcerated. The first group numbered about 200,000. In May of 1957, the campaign against the rightists began and over one million intellectuals were persecuted. This marked the first time the Communists extended the punitive policies earlier practiced against those with Nationalist sympathies to dissidents from the ranks of "the people." Harsh under Mao, the camps continue their severity under the present leadership of Deng Xiaoping. The reader shares in the threat of terror, uncertainty and brutality that could at any time strike any group in Chinese society.

The book discusses the organization and distribution of the

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camps, the convict labor reform, the re-education through labor policies and program, forced job placement, and labor reform under Deng Xiaoping. Handy reference maps impress the reader with the widespread reality of the camps. Appendices include information on the 990 camps and commodities produced there, with a focus on the nine industrial labor camps. China's leading intellectual dissident, Fang Lizhi, in his "Foreword" situates the problem detailed in this book: "Therefore, one of the tasks of protecting human rights in China is to unmask the real record of the past four decades and in present days. The 1989 Beijing massacre is, in fact, only the tip of the iceberg and does not reveal the scale of the violations of human rights in China."

Donald J. Senese

The Conservative Constitution
Russell Kirk
Regnery Gateway
Hardcover, $22.95, 1990

Most American conservatives don't realize it, but there is a major split within conservative thinking about the American Constitution. Anyone who has not followed the developing ideas might well expect that American conservatives would tie their thinking to perhaps an updated version of the views of the pre-New Deal Supreme Court, which predominated, albeit with some setbacks, until the modern liberal ascendancy began on the Court in the late 1930s. This was a view that championed individual liberty and the limitation of governmental power, notably through the doctrine of "freedom-of-contract" and through a delimiting interpretation of the jurisdiction of the federal government under the Interstate Commerce Clause.

However, that is not the tack taken by several prominent conservatives. The "Original Intent" school, represented by such conservatives in prominent positions as former Reagan Attorney General Edwin Meese, Chief Justice William Rehnquist, and erstwhile nominee-to-the-court Robert Bork, has explicitly repudiated the classical liberal interpretation. Theirs is a view that harks back instead to the Federalist interpretation of the Constitution that predated the Jeffersonian revolution of 1800.

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I hesitate ever to pigeonhole Russell Kirk, the author of the book under review. He deserves too much respect as an independent thinker for that. No doubt there are nuances of his thought that would not coincide with the thinking of each member of the Original Intent school. In connection with such complex issues, legal and historical, I will not seek to deny each thinker his individuality.

Nevertheless, it is instructive to think of Kirk's book as a significant contribution to the literature of the Original Intent school. Kirk puts himself in league with the Federalists, not with the individualism and increasing democracy that he sees as having come later.

The book is composed of assorted lectures Kirk has given regarding the American Constitution. Because some of those lectures most directly had to do with the influence of the British statesman Edmund Burke, Kirk at one time planned to call the book Edmund Burke and the Constitution of the United States. Even now, that wouldn't be a bad name for it, since Kirk says a "reader will find some of Burke's wisdom in every chapter"; but Kirk observes that he "strayed from the theme," broadening it beyond the influence of a single statesman into a more general discourse on the Constitution. This becomes especially apparent when he allows himself (to the reader's advantage) to discuss so contemporary a theme as the penetration of "secular humanism," as an *ersatz* religion, into today's schoolrooms.

A refreshing feature of the essays is their literary approach to the Constitution. This is not a book that a lawyer would be inclined to write, since a lawyer would look mainly to the Court and its decisions during what is now more than two centuries. Kirk's discussion, to the contrary, is written in the context of such constitutional-philosophical commentary as that supplied by Sir Henry Maine, Walter Bagehot, James Bryce, Orestes Brownson, and others.

An Implicit Quandry: What is "Conservatism"?

Classical liberals who today regard themselves as conservatives will experience a certain disquiet about the foundation upon which it rests. This disquiet goes to the very nature of the traditionalist conservatism that Kirk endorses.

We know from Kirk's *Conservative Mind* that conservatism "of Burke's school" is built on several elements:

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. the central role of the Christian religion;
. tradition;
. social hierarchy involving "orders and classes";
. property (primarily landed and not mainly commercial or industrial, since Burkeans were conservatives who identify with land and most assuredly not with the commercial bourgeoisie);
. limitations on will, appetite, and unfettered reason;
. and gradualistic reform (although obviously not of a type that will move the society away from the other foundations just listed).

What is worth noting is that these preferences express a consensus that preceded the modern age. Consistently with this, the late Richard Weaver of the University of Chicago decried, in his book *Ideas Have Consequences*, what he perceived as Western civilization's slide into decadence since – when? – the fourteenth century, a slide that he saw as due to peoples' having lost sight of God, the true reality! And perhaps more forcefully than anyone else, Eric Voegelin has asserted the ontological primacy of a God-oriented cosmology, and the consequent wrong-headedness of secular views of the world. Many contemporary conservatives of the Burkean school trace their thinking back to before the Enlightenment, which they see as having led the West in a profoundly wrong direction.

Understood in all its parts, this is a worldview that makes few, if any, concessions to the major tendencies within Western civilization since the fourteenth century. I say this even though we must keep in mind the variations within the Burkean model; there are substantial differences in degree as to each element.

If, then, we make a forward leap to the eighteenth century, to such men as the Founding Fathers, including several prominent Federalists, how much are we to understand that their thinking really represented this medievalist worldview? Their views simply are not the same thing – not, at least, unless we find thinkers among them whose own "conservatism" harked back to embrace the medieval concept of consensus.

Did Burke, in England, do that? Yes and no. True, he saw himself as representing something of a mild conservatism, such as when he favored a "potent monarchy" but not an absolute one. He wanted a "monarchy directed by laws, controlled and balanced by the

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great hereditary wealth and hereditary dignity of a nation; and both again controlled by a judicious check from the reason and feeling of the people at large acting by a suitable and permanent organ." Nevertheless, it is impossible to read his *Reflections on the Revolution in France* without becoming aware of how much he brought together into a coherent expression the worldview of kings, an hereditary landed aristocracy, an established church, faith, tradition, and vigorous government. "We fear God," he wrote; "we look up with awe to kings; with affection to parliaments; with duty to magistrates; with reverence to priests; and with respect to nobility."

Although Burke the statesman had one foot planted in the eighteenth century, Burke the philosopher had the other foot planted squarely, with the bulk of his weight on it, in the medieval consensus, which I have been speaking of, for the sake of convenience, as the viewpoint of the fourteenth century. Most certainly his overall view of society as expressed in *Reflections* did not express the *Zeitgeist* of the late eighteenth century.

Did it express the *Zeitgeist* even of the Federalists among the American Founding Fathers? Let's look at what they wrought: The Constitution established a republic, not a monarchy. This was no small thing, but rather a revolutionary move away from Europe's *ancien regime*. By comparison, Burke was no republican. The First Amendment guaranteed the free expression of religion – an immensely significant concession to individual judgment as against those who had so long asserted cosmological certainty. The same amendment forbade any establishment of religion – meaning that the nation could not give its imprimatur to a single religious view. Kirk rightly observes that this bound only the federal government; but it is worth noticing that eleven of the thirteen former colonies no longer had established churches and that the other two were on their way to abolishing theirs. Titles of nobility were banned – there was to be no hereditary aristocracy.

For Kirk successfully to postulate the American Constitution as a product of "conservatism," classical liberals would claim that he would have to repudiate the definition of conservatism advanced by Weaver, Voegelin, and Burke the philosopher (as summarized by Kirk himself in his *Conservative Mind*). They would claim that he tries to remain true both to the worldview of Europe prior to the French Revolution *and* to that of the Federalists among the Founding Fathers of the American Constitution.

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But this is not to say that there is not an important part of the truth in Kirk's analysis. Vastly important vestiges of medievalist conservatism were present in the thinking of the Federalists. Indeed, these vestiges are essential, even, to classical liberal individualism. Responsibility, familial duty, religious sensibility, a healthy scepticism toward thoughtless innovation, respect for property, a desire to see ability recognized and rewarded; all these and many more of the tempering virtues important to civilization would have to be invented (as though that were easily possible!) if they did not come down to Americans from past centuries. In this sense, the early American polity was "conservative." Kirk is right when he points out that the Founding Fathers built on a long history of colonial and British experience, unlike the French who found themselves adrift on a sea of pure ideation because they had no comparable history of popular participation in government.

If I may return to the point I made at the beginning, which was about the split within contemporary American conservatism over the nature of our Constitutional heritage, I would say that the primary effect arising from the analysis made by Kirk and others of the "Original Intent" school is that it leads them to repudiate the pre-New Deal classical liberal interpretation of the Constitution. For a Supreme Court justice to attempt to go back 205 years in preference to a mere 55 is really quite radical. But that is essentially what happens if conservatives hold, with Rehnquist, Bork and Kirk, that the classical liberal construction of the Constitution was fundamentally in error.

It is appropriate to close with a reiteration of the praise that was voiced earlier. Consider, for example, the wisdom in Kirk's reference to such a thing as "the moral imagination that nurtures a vision of human dignity." And, too, the wisdom of his saying that "great states with good constitutions develop when most people think of their duties and restrain their appetites. Great states sink toward their dissolution when most people think of their privileges and indulge their appetites freely. This rule is as true of democracies as it is of autocracies."

Readers won't find that sort of insight in much that they read elsewhere today. Nor will they often come upon so learned a style. Those reasons alone are sufficient to commend the book highly.

Dwight D. Murphey

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